

NEWS SUMMARY

GENERAL

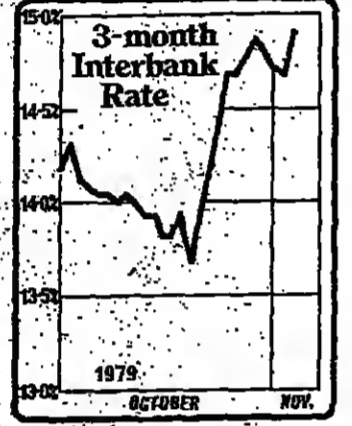
Further moves on lamb curbs

The EEC Commission is to prepare further legal proceedings against the French Government over its illegal import curbs on British lamb...

BUSINESS

Equities lowest for 30 months

EQUITIES were depressed, mainly on domestic interest rate concern, and the FT 30 share index closed 10.7 down 421.0, a 2 1/2-year low.



CBI proposes tougher action

THE CBI is to press the European Commission to initiate tougher action against countries breaking international trade agreements...

Boulin successor

President Giscard d'Estaing is expected to announce a new French Labour Minister tonight in succession to Robert Boulin...

Nuclear ban

The U.S. will issue no further licences for nuclear power plants until results of a safety review are known early next year...

Tanker lost

Rescuers searching for the Norwegian freighter Berge Vanga spotted an oil slick in the Atlantic and now believe the ship has sunk...

Japan crisis

An attempt to solve Japan's leadership crisis failed after former Premier Takyo Fukuda first agreed to stand down...

Escape bid

James Earl Ray, serving a life sentence in Tennessee for the 1968 assassination of civil rights leader Martin Luther King, tried unsuccessfully to escape from prison...

Hospital blunder

Seven-year-old James Croke was awarded £268,898 in the High Court for brain damage after a hospital blunder in 1973.

Briefly

Eighteen people arrested during last week's police raids on Coral Leisure Group's four London casinos were remanded on bail, charged with conspiracy.

Food and medicine was given to tens of thousands of Indonesians made homeless by an earthquake in West Java which killed 30 people.

Government plans to keep sanctions against Rhodesia

BY RICHARD EVANS, LOBBY EDITOR

The Government is planning to maintain effective trade sanctions against Zimbabwe Rhodesia until there is a formal return to legality...

It will, however, be difficult for the Government to extend the sanctions Order either for a full year or for a specified period.

The sanctions Order could only be got through on Labour and other opposition votes. Government whips would be loathe to do this because of the damage it would do to Tory unity...

The tactic which is finally adopted for continuing sanctions beyond the November 15 deadline will depend on the progress of the Lancaster House independence talks.

ZAMBIA MAIZE BLOCKED

Rhodesia is to sever crucial maize supplies to Zambia because of continuing incursions by Patriotic Front guerrillas based there.

Fall in sterling pushes up industry's costs

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

INDUSTRY FACES a further batch of large cost increases because of the fall in sterling and the rise in crude oil prices.

Table of Wholesale Prices (1975=100) for various materials and output (Home Sales).

money market interest rates. One-year rates rose by 1/2 of a point to 14 1/2 per cent yesterday...

BNOC puts up N. Sea oil price

BY RAY DAFTER, ENERGY EDITOR

OIL PRODUCERS in the UK sector of the North Sea are raising crude prices by \$2.77 a barrel...

Table of Selective Oil Prices (as of today) for Saudi Arabia, Iran, Algeria, Libya, Nigeria, etc.

crude oil, banding about 750,000 barrels a day. BNOC obtains most of this oil in three ways: crude produced from its own offshore equity interests...

CHIEF PRICE CHANGES YESTERDAY

Table of price changes for various commodities like BISES, Allied Colloids, Electrocomponents, etc.

CONTENTS

Table of contents for the newspaper, listing sections like Britain's current wage round, Management: Northern Engineering, etc.

Famine of forms in rush for BP shares

By Christine Moir

ANOTHER QUARTER of a million prospectuses and application forms for the Government's forthcoming sale of 80m British Petroleum shares were hastily being printed last night.

The Bank of England, expecting heavy demand from small investors, had initially printed 1m forms.

S. G. Warburg, one of the banks underwriting the issue, had run out of its supply of 20,000 forms by 9.30 a.m.

Lord Garmyley, a director of the bank, said that one man, the back seat of whose car was already piled with forms, came in asking for more.

Available

The Bank of England's new issues department in Watling Street was also besieged by applicants and had to send out for a second pile of forms.

Application fever did not, however, infect BP's share price. By the end of the day it had slid a further 10p to 360p.

Forms were widely available at larger Post Offices, branches of the clearing banks and the Bank of England's own branches...

But, would-be investors wanted more than one form in the belief that the Government would favour small applications...

Sterling's recent sharp fall by 10.5 per cent in just over three months has so far only offset its appreciation earlier in 1978.

UK Embassy seized in Tehran

BY ANDREW WHITLEY

A MAJOR crisis erupted yesterday between the UK and U.S. and Iraq, one of the largest oil suppliers to the two countries.

Late yesterday followers of Iran's religious leader Ayatollah Khomeini stormed and took over the British Embassy in Tehran.

Other supporters were still holding hostage nearly 60 American diplomats at the U.S. Embassy, demanding the return to Iran of the former Shah...

Backing their action, Mr. Ali Akbar Mojtahid, Iranian Oil Minister, gave a warning that his country might cut off all oil supplies to the U.S.

The U.S. State Department rejected the possibility that the Shah might be returned, but emphasised that he was only in America for medical treatment...

Ayatollah Khomeini, the Iranian unofficial head of state has given his blessing to the occupation of the U.S. Embassy...

The capture of the British Embassy confirmed earlier indications that Iran's internal divisions are spilling over increasingly into the international arena.

Relations between Britain and Iran have been growing increasingly strained in recent weeks. In contrast Tehran's links with the U.S. had appeared to be on the mend...

In London the Iranian Charge d'Affaires was summoned to the Foreign Office to receive a strongly-worded protest against the occupation of the British Embassy.

The full extent of the facility of international oil supplies has also been brought home by the crisis in which ordinary workers have been able to call the tune.

Advertisement for Air France flights to Heathrow-Paris, featuring a large image of a plane and the text 'The French way of seeing Paris' and '£43 return'.

EUROPEAN NEWS

Ecology party to fight W. German general election

BY JONATHAN CARR IN BONN

A NEW countrywide political party is to be formed in West Germany in January. As a result, Chancellor Helmut Schmidt's coalition may find it harder to win next autumn's general election. The new movement will be called "die Grueene" or "the Greens" to emphasise its support for environmental protection.

Orders begin to pick up

BY ROGER BOYES IN BONN

WEST GERMAN order books have started to improve after the summer lull, but industrial production marked time during September. Statistics released yesterday by the Economics Ministry show a 7.5 per cent increase in overseas orders to manufacturing industry in September compared with August.

Cardinals to discuss Vatican finances

By Paul Setts in Rome

IN GREAT secrecy and for the first time in 400 years, 113 Cardinals assembled yesterday for a four-day consistory of the Sacred College of Cardinals summoned by Pope John Paul II.

It reflects the Pope's intentions of maintaining closer contacts with his Cardinals and giving the Roman Catholic Church a more collegial form of leadership.

The Vatican has so far released only the barest of details on the consistory, which normally only assembles to elect a Pope.

Despite its considerable assets in works of art and property, the Holy See claims it faces increasing financial difficulties. One unconfirmed report put losses last year at £20bn (about \$11bn).

Boulin successor expected tonight

BY ROBERT MAUTHNER IN PARIS

A NEW French Labour Minister is expected to be nominated tonight in succession to M. Robert Boulin, who committed suicide last week after Press allegations of irregular property deals affecting a plot of land he had bought.

The French President does not like to make hasty decisions. The appointment of a new Prime Minister and Government must be carefully timed, to have the greatest possible psychological impact on the next Presidential election, due in the early spring of 1981.

M. Giscard has left Paris for his residence in the Auvergne where, his aides say, he will study during the next 48 hours the dossiers for forthcoming international meetings.

Union refuses to accept AEG redundancies

BY GUY HAWTIN IN FRANKFURT

WEST GERMANY'S powerful metal workers' union has warned that it will not tolerate big redundancies as part of the price of rescuing AEG-Telco.

The Federal Republic's banks and AEG's management are trying to put together a plan to bail-out the company as it approaches the end of another year of heavy losses.

Herr Benz, a member of the executive board of the union (IG-Metall), squarely blamed the management for the group's difficulties. They resulted, he said, from the accumulation of wrong management decisions

taken over the last 10 to 15 years. "We are basically not ready to accept mass redundancies," he said.

He called on the Federal Government to take a financial stake in the ailing concern — at the cost of "a couple of hundred million Deutsche Marks."

Herr Benz attacked Herr Walter Cipa, AEG's chief executive, whose style of leadership, he said, consisted of hitting out in all directions. "Herr Cipa is primarily responsible for the fact that the workers were never kept properly informed and, naturally, also for rescue concepts with which they cannot work."

Asked if Herr Cipa's days were numbered, he replied: "Managements come and go. The main tragedy is the blue and white collar workers who are thrown out on the street."

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By-election test as Lynch flies to U.S.

BY STEWART DALSY IN DUBLIN

THE IRISH Prime Minister, Mr. Jack Lynch, flies off for his eight-day visit tomorrow at a time when his popularity could be tested by two by-elections in his native Cork.

On Wednesday, the electors of Cork North-East and Cork City, which are separate constituencies, are due to elect two new TDs (MPs), owing to deaths. Ireland has a system of proportional representation under which each constituency elects four members to the Dail.

Usually, any number of candidates can stand and often several from each party do so. In these by-elections, however, only one member will be elected each time. For Cork City, there will be one nominee only from the ruling Fianna Fail Party, one from Fine Gael and one from the Labour Party, the third main constituency party.

Mr. Lynch has been campaigning hard on Mr. Deane's behalf, as have other Fianna Fail Ministers, because the polls will be seen as an important indicator of the Government's popularity after the party's dismal showing in the European election last June.

Then it won only four of the 15 seats. In Munster, in which both the Cork constituencies are Fianna Fail's, its share of the popular vote fell from 54 per cent in the General Election to only 38 per cent.

Northern Ireland will be a major topic during Mr. Lynch's visit to the U.S., but the polls say it is barely an issue in Cork. Victory will certainly hinge on economic problems.

Angry passengers at Orly Airport yesterday locked officials in an office in protest against delays caused by air traffic controllers who have been stopping take-offs for two hours every day.

Unions have called for tougher action to press home their campaign to alter working conditions, while the Transport Ministry has condemned the strikes as illegal.

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Hua backs new NATO missiles in Europe

By Rupert Cornwell in Rome

THE CHINESE leader, Chairman Hua Guofeng, yesterday applauded the reported readiness of Britain, Italy and West Germany to authorise installation of new NATO nuclear missiles before beginning fresh arms cut negotiations with the Soviet Union.

He made his views clear during talks yesterday with Sig. Sandro Pertini, the Italian President, at which he was otherwise fairly muted in his criticism of Moscow, referring merely to the need to maintain strategic balance in the interests of peace.

Yesterday afternoon, economic officials in the two delegations began a fresh round of talks, which will aim at expanding the expansion of Sino-Italian trade. Italy has already expressed willingness to expand the \$1bn eight-year credit line to Peking, while Fiat is among a number of Italian companies set to participate in the development of the Chinese economy.

Italian banks were closed yesterday by a nationwide strike of employees seeking a new contract, AP reports from Milan.

Soviet moves against dissent

By David Satter in Moscow

THE SOVIET group monitoring observance of the Helsinki accords said yesterday that the authorities have embarked on the "complete suppression" of the democratic, religious and nationalist movement in the Soviet Union.

At a news conference at the home of Dr. Andrei Sakharov, the Nobel Peace prizewinner, the group's members said that the arrests of the theologian, Velikunov, an organiser of the underground "Chronicle of Current Events," Fr. Gleb Yakunin, head of a committee to defend the rights of religious believers, and Antanas Terleckas, a Lithuanian nationalist, opened a new phase in the campaign against dissent.

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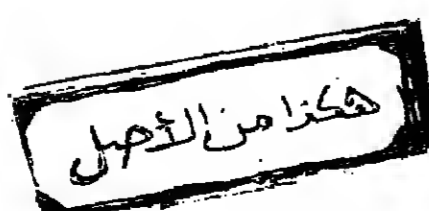
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Form for Methodists Homes for the Aged, including fields for name, address, and a checkbox for 'I wish to covenant my gift'.

METHODIST HOMES FOR THE AGED 11 Tulton St., Westminster, London SW1P 300 General Secretary Brian L. Callin, M.A., B.Sc. Pastoral Secretary Rev Norman J. Richardson

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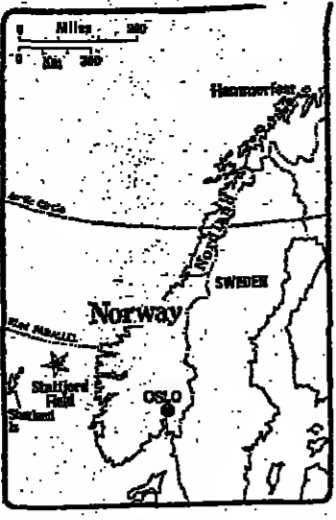
THE TIMES Renew your order today.



William Dullforce in Oslo looks at Norway's North Sea plans

Oil and gas explorers move north

NEXT YEAR promises to be crucial in Norway's oil history. Plans have been laid to start the search for oil and gas next summer north of the 62nd parallel.



Italy will seek a trade agreement to buy Norwegian crude oil and natural gas, when Sig. Gaetano Stamatii, the Foreign Trade Minister, visits Norway this week.

that only Norwegian companies can act as operators on blocks north of the 62nd parallel, limiting the possibilities to Statoil, Norsk Hydro (in which the state has a controlling share) and Saga, a private company owned by a consortium of Norwegian shipowners and industrialists.

Statoil will have a least a half-share in all blocks, but under the licensing terms could end up with 75 or 80 per cent of the oil or gas eventually produced.

The prize for the international companies is to be selected as technical assistant to a Norwegian operator. The company chosen can expect to get a 25 to 30 per cent slice of the licence. The Ministry has chosen some 15 companies with which it has been negotiating technical assistant contracts.

It hopes to announce the allocation of two blocks off Hammerfest and one off Nordland before Christmas. Up to five more may be awarded next year. The first blocks will not be those which seismic surveys have suggested are the most promising, but those where wells can be expected to give valuable information about the type and location of potential oil and gas structures.

Their selection is partly based on a compromise with the fishermen. They wanted drilling on Hattenbank to be restricted to one rig while in the area off Hammerfest they asked for simultaneous drilling by two rigs. The idea is to have a second rig available to drill a relief well speedily should a blow-out occur on one well.

The Ministry's timetable is very tight. The Storting will not give the final go-ahead to drilling north of the parallel until it has debated a White Paper on contingency planning, the organisation of the offshore operations and their anticipated effect on the fisheries. The White Paper will be presented before the end of this year but the Storting is unlikely to vote on it before the second half of March.

Statoil at least is going ahead with its preparations to start drilling in late May or early June next year and rigs have been commissioned. It is counting on the combined weight of the ruling Labour Party and the Conservatives, who together hold a seemingly impregnable 117 of the 155 Storting seats.

Labour and the Conservatives could retain a majority. The danger is that either the Government or the Conservative leaders might get cold feet should public opinion appear to swing behind the opposition. Both have so far maintained a firm front.

The Fishermen's Association may hold the key. The Government has gone to great lengths to win the fishermen's acquiescence to the move northwards of oil operations. It is setting up a Nkr 35m (£5.2m) fund to compensate them for any inconvenience caused by next year's drilling. The Oil Ministry and the Fishermen's Association have regular consultations.

If the fishermen accept the recommendations in the White Paper, the Labour and Conservative leaders should be able to whip the waverers within their parliamentary groups into line.

Any discoveries made north of 62 degrees can scarcely be brought into production before the end of the 1980s or early 1990s. New fields south of the parallel will have to be developed to meet the 90m-ton target, and the wells drilled this year offer several possibilities.

Mr. Johnsen said last week that either block 34/10, the so-called Golden Block, or block 30/6 would be declared commercial next year.

In addition he described the Shell gas find on Block 31/2 as the "missing link" which would enable Norway to go ahead with a new gas-gathering pipeline. Development of this field, which could be the biggest gas discovery so far in the North Sea extending into block 31/1, will not take place until the end of the 1980s. But other gas reserves can be developed in the meantime. Next year the competition between Britain and the Continent for Norwegian gas can start in earnest.

Singapore planning free wage bargaining

By David Dodwell in Bangkok

SINGAPORE'S Labour Ministry is considering plans to restore free collective bargaining for wage negotiations throughout industry.

The Ministry also plans to train a new generation of conciliation officers to handle the expected increase in disputes between unions and employers.

Since 1972, wages in Singapore have been fixed annually by the National Wages Council, a tripartite body representing the Government, unions and employers. Its recommendations are not mandatory, but are widely adopted.

The wages council has been successful in maintaining annual wage increases of about 7 per cent in 1977 and 1978 and in achieving industrial peace. Not one man-day was lost in 1978 because of strikes.

These two factors have encouraged many foreign companies to invest in Singapore and to use it as a stable base for operations in South-East Asia.

The wages council will soon have outlined its purpose, according to Mr. Han Cheng Fong, Permanent Secretary at the Labour Ministry.

"Just how we are going to introduce free wage bargaining has not yet been worked out," Mr. Han said. "It involves the risk of more disputes and more strikes, but that is a risk I think we must take."

The wages council this year recommended wage rises average about 20 per cent as part of a concerted Government strategy

المكان المفضل

Korea opposition calls for direct presidential election

BY RON RICHARDSON IN SEOUL

THE LEADER of South Korea's opposition New Democratic Party, Kim Young Sam, called yesterday for a popular election to choose a successor to President Park Chung Hee, who was assassinated 10 days ago.

Mr. Kim said that if such an election was not held and a new President was appointed under the existing constitution, it could lead to public unrest.

He thought everyone would agree to wait for up to six months for an election if a start was made soon on constitutional reform.

Mr. Kim was firing the first shot in the political battle which has resumed following the state funeral of the late President. Since Mr. Kim became leader of the opposition in May he has been heading a

campaign "for the restoration of democracy."

The campaign has focused on replacement of the presidential election system which is by non-political electoral college of 2,583 members. Mr. Kim's campaign has backed a system of direct election and has also sought abolition of the chief executive's power to nominate a third of the country's MPs.

The killing of President Park during a dinner party by the head of the Korean Central Intelligence Agency has lent crucial urgency to the method of choosing a successor. President Park ruled the country in an increasingly autocratic manner during his 18 years in office and did not allow a potential successor to emerge.

Many senior officials and academics share Mr. Kim's views on electoral reform and it is generally accepted that an election will be held to pick Park's successor.

The ruling Democratic Republican Party convened a three-minute session of the National Assembly to reject the mass resignation of the 60 opposition members.

The MPs quit Parliament in protest at the expulsion of Mr. Kim from the House early in October. His party has not yet indicated whether it will accept this peace gesture from the ruling camp.

Student riots in the southern cities of Pusan and Masan, which began a week after the opposition walk-out, precipitated a split among Park's advisers which led to his assassination.

Offshore oilfield found south-west of Bombay

BY K. K. SHARMA IN NEW DELHI

INDIA'S Government-owned Oil and Natural Gas Commission has discovered another major offshore oilfield on the western continental shelf in the vicinity of the Bombay High oilfield which is currently producing about 5m tonnes of crude annually.

The discovery of the oilfield, which is located 50 miles south-west of Bombay, was announced by Mr. Bala Pajajaran, Minister of Petroleum and Chemicals, who said that production tests on the first well in the field were promising.

The well has a potential of about 7,000 barrels a day. The new field is said to be about eight square miles in area and oil was struck 6,000 feet below sea level. Two more wells are to be drilled to ascertain the

full commercial possibilities of the oilfield. Seismic surveys have disclosed that there are a few more promising structures south-east of the new discovery and these are to be explored now.

The last significant oil strike near the Bombay High oilfield was in October, 1977. The new find comes at a time when India is going through a major oil shortage because of the inability to obtain sufficient supplies of crude on the world market.

Our Calcutta correspondent writes: The employees of Grindlays Bank went on strike yesterday over the bank's "mechanisation and rationalisation" policies. The strike comes after frequent industrial action in several Indian banks in recent weeks.

Bhutan calms Delhi's fears

By Our New Delhi Correspondent

BHUTAN, THE Himalayan kingdom bordering India and China, has decided not to seek diplomatic relations with Peking even though it has a 470-mile border with Tibet.

The decision has been disclosed in an interview by the kingdom's Foreign Minister, Mr. Lyazo Dawa Tsering. It should set at rest fears in New Delhi that Bhutan is attempting to forge an independent foreign policy that might go against India's interests.

Such fears arose when the King of Bhutan told Indian journalists a few weeks ago that he favoured revision of the treaty with India.

Anxieties were heightened when Bhutan took an independent stand on such matters as the seating of the Pol Pot regime at the recent non-aligned summit at Havana.

'I expect even you sometimes find it difficult to take a long view, Mr Wagstaff'

'Well, I certainly try,' said Mr Wagstaff, wondering why George Young, who had been a customer for many years, was adopting this somewhat oblique approach.

'I know it sounds as though I'm talking in riddles,' said Mr Young, reading Mr Wagstaff's thoughts with remarkable accuracy, but as a matter of fact I'm talking literally. As you know, there's nothing like condensation on windows for shortening the view. And being in the window business I'm not only very conscious of it, I'm also very conscious that it provides a marvellous opportunity for George Young & Co. to make a small fortune.'

'I'm afraid I still don't quite see--? -Where all this is leading? Well, it's not up the garden path, I promise you. It's leading straight to what I wanted to see you about. Plastic double glazing. With plastic framing you virtually eliminate condensation problems. And no problems finding customers either, with something like that to offer.'

'So what exactly is the problem, Mr Young?' 'The machine I need to get started. It's a bit special, and it's far from cheap. Well in that case we'd better take a look at the facts and figures, Mr Young. If they indicate a rosy view, I'll be very happy to take a long one.'

Wagstaff peered keenly at the prototype frame.

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Poles print work by banned Czech

By Christopher Bobinski in Warsaw

IN A gesture of solidarity with Christians under pressure in Czechoslovakia, the Tygodnik Powszechny, a Krakow-based independent Roman Catholic weekly, has published an article by Fr. Joseph Zwierina, a prominent Prague theologian, who has not been able to publish his work in his own country since 1971.

A Jesuit, and a signatory of the civil rights Charter 77, Fr. Zwierina was detained and questioned by the Czechoslovak authorities, along with other clergy and lay-people, following the discovery of an unofficial printing press in Olomouc on September 10.

The article assesses the first year of Pope John Paul's pontificate. The Polish media, meanwhile, have maintained a steadfast silence about the recent trial of Czechoslovak dissidents which has been broken only by a terse news item reporting the sentences.

It suggests embarrassment in Warsaw at the hard-line stance taken by Prague authorities on the issue. Earlier this year, 317 Polish Catholic intellectuals, some of them from the staff of the Tygodnik Powszechny, published a publication which is highly regarded by the Pope, appealed to the Czechoslovak bishops to defend human rights activists in their country and to protect the families of those who are persecuted.

The Polish authorities may decide to tolerate a private independent study group which recently produced a report which criticised the state of the country and proposed democratic reform, although it admitted that political life would continue to be dominated by the Communist party.

Such a decision would indicate concern that the members of the "Experience and Future" study group should not join the ranks of Poland's dissidents.

The possibility of official tolerance of the study group, under the aegis of an officially supported lecture society, came during a meeting between a participant Mr. Stefan Bratkowski, who is a journalist, and Communist party members.

E. Germany widens its international role

BY LESLIE COLTITT IN BERLIN

EAST GERMANY is demonstrating its widening international role under Soviet auspices with a disclosure that Herr Erich Honecker, the President and Communist leader, is to visit South Yemen and Ethiopia starting next week.

Friendship and co-operation agreements are expected to be signed with both countries and they may contain military assistance clauses.

The East Germans have been heavily engaged in South Yemen and Ethiopia in recent years, providing economic aid and training security personnel and armed forces units.

As in African countries where East Germany has active technical and military assistance programmes, the Soviet Union wants to avoid a direct involvement in order not to provoke the West.

East Germany in 1977 demon-

strated its close ties with the South Yemen Government, when a West German airliner was hijacked by terrorists and East Berlin offered Bonn its good offices to try to gain landing rights for the aircraft in South Yemen.

Only last month, President Abdul-Fattah Ismail, South Yemen's leader, signed a 20-year friendship and co-operation treaty with the Soviet Union. An East German trade delegation is also in Aden at present to discuss a five-year trade and economic agreement.

Moscow may also be reactivating an African role for Czechoslovakia after a 10-year lapse following the Soviet-led invasion of the country in 1968. General Martin Dzur, Prague's Defence Minister, has ended three days of talks in Aden on "strengthening bilateral relations."

Big rise planned in Italian museum, gallery charges

BY RUPERT CORNWELL IN ROME

THE ITALIAN Government is planning a big increase in admission charges to the country's countless museums, art galleries and archaeological sites. It hopes, as a result, to be able to provide a better service to visitors, and to fight theft and vandalism more effectively.

Under the plan, due to go before the Cabinet shortly, admission charges would be raised to a uniform L1,000 (58p) per person compared with the present range of ticket prices between L75 (4p) and L200 (114p).

Gibraltar border pressure

BY OUR GIBRALTAR CORRESPONDENT

TEN YEARS after Spain closed the border, Gibraltar is a prosperous community, and it is on the other side of the fence that pressure is mounting for it to reopen. Sir Joshua Hassan, the colony's Chief Minister said yesterday.

Addressing a group of 25 visiting Spanish journalists, he said that Spain had tried and failed to prove

could not live without Spain. After years of urging Spain to lift the blockade, it was ironic, he said, that there was a developing fear in Gibraltar itself of a Spanish public order problem.

Sir Joshua said he believed that given proper controls to safeguard interests on both sides of the fence, most people would welcome a return to normality.

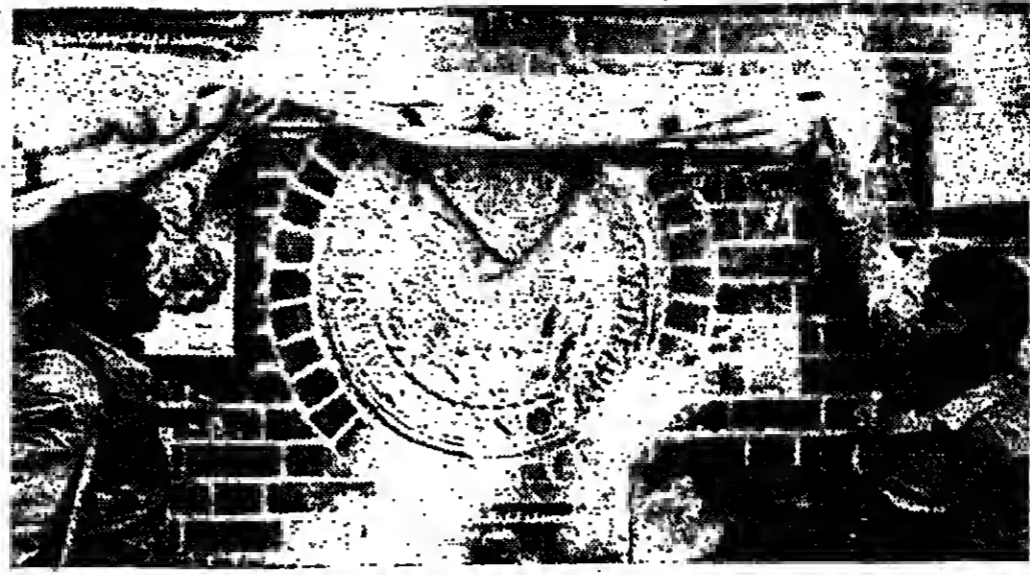
TEHRAN: SEIZURE OF THE EMBASSIES

Zealots' action highlights divisions in the regime

By Andrew Whitley

THE OCCUPATION OF THE U.S. and British embassies in Tehran threatens to precipitate the gravest crisis so far between the Iranian Islamic Republic and the Western powers.

radio broadcast a statement from the organisers of the occupation of the U.S. Embassy urging the take-over of other embassies...



Revolutionary guards show how a banner has been used to cover the U.S. embassy's insignia

Iranian authorities see devils everywhere. Inevitably the U.S. old enemy of the Khomeini traditionalists, the nationalists and the Islamic radicals alike...

Khomeini's violent apocalyptic declarations are being taken literally by his ardent followers and the message carried out on the streets.

State, to allow the Shah to come to the U.S., provided he stay in a tightly circumscribed time and place.

Oil embargo threat coupled with extradition demand

By Richard Johns, Middle East Editor

IRAN has warned the U.S. that it may cut off oil supplies if the demand of the rioters for the return of the Shah is not met.

Iran has argued that the record receipts on the spot market justify the convening of an extraordinary conference of an Organisation of Petroleum Exporting Countries...

OVERSEAS NEWS

AMERICAN NEWS

Rhodesia bans maize shipments to Zambia

ZIMBABWE Rhodesia has suspended all maize shipments to Zambia through its territory, it announced yesterday.

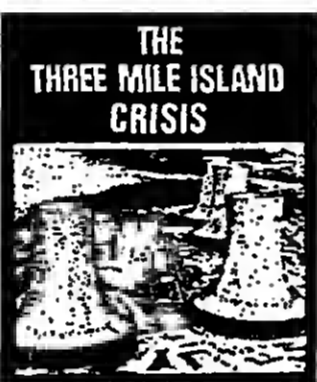
power lines, railways and other means of communication. A number of breaches of the conditions occurred shortly after the delivery of the message to Zambia.

U.S. reaction shakes Bolivian coup leader

By Hugh O'Shaughnessy COLONEL Alberto Natusch Busch, who seized power in Bolivia on Thursday, appears to have been severely shaken by the strength of foreign, and particularly U.S., reaction to his coup d'etat.

NRC to issue no new reactor licences

BY DAVID BUCHAN IN WASHINGTON THE NUCLEAR Regulatory Commission will issue no further construction or operation licences for new U.S. nuclear power reactors until it completes a safety review that is likely to last until spring 1980.



The effect of this will be to stop four plants in an advanced state of construction from going into operation as planned by the end of the year.

Other plant due to start power generation by June and given more due to start operation between June and December, 1980.

needed for the Commission to finish its own report on last March's Three Mile Island reactor accident and to absorb the recommendations of the October 31 report made by the Presidentially-appointed Kemeny Commission.

split the fact that on different occasions, eight of the 12 Commission members voted for varying forms of moratoria.

Buthelezi seeks links with black exile group

A MEETING between Chief Gatsha Buthelezi, the South African Homeland leader, and leaders of the hanned African National Congress and the Zimbabwe Rhodesian Patriotic Front in London last week has given a significant new turn to black politics in South Africa.



Chief Gatsha Buthelezi

In La Paz, President Walter Guevara, continuing his defiance of Col. Natusch and his named Gen. David Padilla, an officer who held Presidential office briefly at the end of last year and this year, as army commander.

Oil lobby hopes for victory over leases

BY DAVID LASCELLES IN NEW YORK A LAST-MINUTE battle was being fought in the Boston courts yesterday to prevent the auction today of oil exploration leases off the New England coast.

Mr. Joseph Hendrie, who chairs the five-man NRC panel, described the action to a House of Representatives committee as a pause, rather than a moratorium on new licences.

According to the U.S. geological survey, which carries out preliminary assessments of fuel deposits, the tracts on auction today contain 123m barrels of oil and 870m cubic feet of natural gas.

He said that exploration will damage the coastline and threaten fish stocks. However, the Interior Department, which handles oil lease auctions, has reduced the number on tracts on offer from over 150 to 118.

His success at the annual Jackson-Jefferson day dinner in Ames, Iowa, was on a much bigger scale than that last month in Florida.

Zia resumes IMF talks

PAKISTAN'S military government has renewed its efforts to secure outside help for the country's ailing economy today with a fresh round of talks with a delegation from the International Monetary Fund.

Hughness to take tougher action have been apparent since General Zia-ul-Haq postponed planned elections last month.

Trade deficit falls The U.S. merchandise trade deficit calculated on the so-called balance of payments basis narrowed to the third quarter to a seasonally adjusted \$6.95bn from \$7.72bn in the second quarter.

S. Africa Minister criticises gold policy

BY DAVID BUCHAN IN WASHINGTON THE NEW U.S. Treasury policy of varying its gold sales in both the amounts and the frequency of auctions, was causing uncertainty in the gold market.

Treasury announced its new flexible sales policy designed to discourage speculation in gold. It auctioned a larger amount, 1.25m oz, on November 1, but left overnight guessing as to when and if it will next sell more gold.

Worried about the effect of Proposition 4 on party lines, it has won over business elements like BankAmerica Corporation, Southern Pacific Co., the powerful California Farm Bureau Federation and the California Chamber of Commerce.

Mr. Horwood foresaw a long term rising trend in gold prices, with industrial demand for the metal holding up well.

It was a similar triumph at the same event in Iowa four years ago that lifted then Governor Carter's candidacy from obscurity.

CALIFORNIAN TAX LAWS AGAIN UNDER ATTACK And now for Proposition 4

TAX WARS have returned to California, the state which last year triggered a nationwide revolt against high taxation with its famous "Proposition 13".

Today Californians vote on a tough new Government spending curb which its sponsor, Mr. Paul Gann, claims "will finish the job we started with Proposition 13".

base year" for calculating increases in appropriations allowed under Proposition 4, which would affect some 6,000 local jurisdictions, including school districts.

voters against Proposition 4 attracted only 100 people, and liberal Cassandra warning of its possible dire effects on education and public services seem to be going largely unheeded.



Mr. Paul Gann is seen by supporters at the campaign event.

# Diamond sales shift hits S. Africa's UK exports

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICA'S exports to Britain fell sharply in the first six months of this year, according to figures released by the Department of Customs in Pretoria. Exports to the UK—excluding bullion—totalled R465.6m (£266.4m) between January and June, 1979, compared with R626.6m in the first half of last year.

According to British officials, the main reason for the drop is the diversion of diamond shipments by De Beers from the UK to Switzerland. This is reflected in a sharp increase in South Africa's exports to Switzerland, from R169.7m in January-June, 1978, to R726.3m this year, making it South Africa's biggest export market.

# Prospects for UK car spares

By Our Motor Industry Correspondent

PROSPECTS for Britain's motor components companies in China were looking "distinctly encouraging" maintained Mr. Ken Wallis, overseas secretary of the UK Society of Motor Manufacturers and Traders after his third visit to China this year.

The most recent two-week visit was with SU-Butee (a BL subsidiary), Laystall Engineering and Coopers Gaskets to the Number Two truck plant at Shiyuan, 1,000 miles south-west of Peking. The plant will produce about 15,000 seven-ton trucks this year. It was commissioned in 1977 and has an estimated capacity of 100,000 trucks a year. The target for 1980 is 30,000.

Ricardo Engineering of Shoreham, West Sussex, already has contracts for developing an enlarged, higher output engine for the next range of trucks from the plant, due to enter production in three to four years. Mr. Wallis said the significance of the latest visit was that it involved direct and detailed technical representations by each of the companies over a full week.

heavy buyers of Krusserrands. The Swiss Bank Corporation has displaced Deutsche Bank as the biggest foreign customer for the coins and is believed to account for almost half of total overseas sales this year.

Britain is now South Africa's third largest export market after Switzerland and the U.S. It consistently occupied first place up to last year.

South Africa's imports from the UK have risen steadily, however, from R525.7m in January-June 1978, to R591.5m. The UK is currently South Africa's second largest supplier, after West Germany. Imports consisted mainly of machinery, transport equipment, power generating plant and tools and chemicals. Fourteen British trade missions are visiting

South Africa this year, but several others have cancelled their scheduled trips.

Japan, whose imports from South Africa have shot up by almost 40 per cent over the past year, has, for the first time, become a more important market than West Germany. Exports to Japan in their first six months of 1979, totalling R455.6m, were only R10m below sales to the UK.

A feature of South Africa's foreign trade so far this year is the large increase in sales to other states with which it has close political ties. Exports to Israel have almost doubled, from R26.2m to R49.1m, and to Taiwan have risen from R45.7m to R60m. A major factor is believed to be sharply higher steel exports to both countries.

# General Motors bids for China truck deal

TOKYO—General Motors is discussing a possible joint venture with China to manufacture heavy-duty trucks.

The estimated cost of the project is \$1bn to \$2bn. GM claims to be a step ahead of other vehicle makers competing for the bid.

Mr. John Quick, a GM vice-president who has been in charge of the company's China contracts for more than a year, said the Chinese are also talking to a Japanese company and five other Western makers about heavy-duty trucks. He did not name the Japanese bidder but he identified GM's other competitors as Ford, International Harvester, Renault of France's truck subsidiary, Volvo of Sweden and Daimler Benz of West Germany.

Isuzu Motors, a Japanese company in which GM has a 34 per cent shareholding, is conducting separate negotiations for the construction of a light-duty truck plant, while Volkswagen is the only foreign company still interested in manufacturing passenger cars in China, he said.

Mr. Quick, who is responsible for Asia-Pacific operations, also announced that his company is strengthening its ties with Isuzu through two separate procurement deals.

General Motors also plans to acquire Isuzu engines to be used by some of its models. Company officials have indicated that some GM cars will mount Isuzu engines in "about two years." AP-DJ

# Japan to pay more for oil

TOKYO—China has notified Japanese oil importers that it plans to raise crude oil prices for October-December shipments by 10 per cent to 24 from \$21.80 per barrel, Oil Industry sources said.

The price of Chinese crude

has usually been determined following consultations with Japanese importers, they said.

China will supply 7.3m tonnes of crude from the Tachung oilfields in northern China this year, and 8m tonnes next year under a long-term Sino-Japanese trade agreement.—Reuters.

# Swiss seek Iran debt payment

BY JOHN WICKS IN ZURICH

THE LEADING Swiss building company, Berne-based Losinger, says it hopes that by next spring it will be possible to reach a "realistic" agreement with the Iranian authorities on construction contracts which came to a standstill at the time of the revolution in February.

Last week, representatives of Losinger and of the Austrian building concern, A. Porr, had talks in Tehran with the Iranian Minister for Energy about "substantial sums" owed to the two companies in respect of consortium work on sites in southern Iran. It was agreed that the amounts owed should be paid before work was resumed and that any future work should not be subject to "any incalculable risk."

Losinger adds that part of the contracts in question are covered by the Swiss export risk guarantee.

In an interim report to shareholders in September, the Berne company said it had made up for the loss of turnover resulting from its consortium participation in the Minab and Jiroft dam projects in Iran through extra contracts, particularly in "special sectors of activity"—thought to be a reference to defence contracts.

# Fighter choice for Australia

CANBERRA—The short list of contenders for Australia's next purchase of tactical fighter aircraft is expected to be cut to two or three from the present four within the next few weeks.

The present short list consists of the Mirage 2000, made by Avions Marcel Dassault-Breguet of France and three U.S. aircraft—the General Dynamics F-16, The McDonnell Douglas F-18A and Northrop's F-18L.

It is expected the new short list will be announced in Parliament before the current sitting ends in mid-November. Renter

# U.S. optimistic of GATT go-ahead in New Year

WASHINGTON—Mr. Robin Askew, the U.S. Trade Representative, is convinced that the Multilateral Trade Agreement concluded earlier this year in Geneva will go into effect by January 1, AP-DJ reports.

Despite some recent delays, he said: "I do not sense in any way a lack of will or commitment of our major trading partners" to approve the agreement. "Too much effort has been put into this" to contemplate failure at this point, he added.

Mr. Askew's optimism about the timetable for the trade agreement, which aims at reducing both tariff and non-tariff

barriers, to trade, contrasts with views expressed last week by Mr. Anthony Solomon, Under-Secretary of Treasury for Monetary Affairs, who noted that the U.S. is the only major trading nation that has "completed the necessary procedures to bring its legislation into accord" with the trade agreement. The U.S. plans to sign the agreement in late November and put it into effect by January 1.

Our Foreign Staff adds: The return of price stability on an international scale is vital to the world economy if it is to recapture its earlier confidence and sense of progress, says the annual report of the General

Agreement of Tariffs and Trade. The report, released today, said that in the "critical decades ahead, the resources of the world economy will be stretched thin and the economy will be vulnerable to shocks, the occurrence of which is made more probable by inflation proceeding at high and variable rates."

It noted that the value of world trade in 1978 amounted to about \$1.3 trillion (million million, or about 850 billion). In monetary terms, this represented a rise of 16 per cent, two per cent more than the preceding year, but in volume, this was a 6 per cent rise over 1977.

# Comecon states may counter EEC curbs

By Christopher Bobinski in Warsaw

WESTERN EUROPEAN ball bearings producers may stand to lose if restrictions are imposed on imports of bearings from Comecon countries, warns Ryński Zagrancze, the Polish trade paper in its latest issue.

Commenting on a recently opened anti-dumping inquiry by the European Commission into bearings imports from Japan, the Soviet Union, Poland and Romania, the paper says that the EEC countries are net exporters of ball bearings to Eastern Europe.

Hinting that counter measures might be taken in retaliation, the paper emphasises "should restrictions be imposed, Western producers might lose more than they gain," though it is far from clear what retaliatory action could be taken.

According to Polish figures for 1977, the latest available, Polish ball bearings exports to the EEC were worth 25.7m foreign currency Zlotys (\$4m) while imports from the EEC in the same year reached 37m foreign currency Zlotys (£5.3m).

Poland's main EEC export market that year was France which took ball bearings worth \$2m while most of Poland's EEC imports came from West Germany and were worth \$3.7m.

Polish ball bearings production reached 100m units last year.

# Europe's chemical industry faces increasing overseas competition

BY SUE CAMERON

THE EUROPEAN chemical industry is likely to be faced with growing overseas competition—particularly from the U.S.—throughout the 1980s, Mr. Anthony Lowe, head of economics and planning at Shell International Chemical, warned yesterday.

Mr. Lowe, speaking to the London section of the Society for Chemical Industry, said European chemical companies would "be torn between the desire for short term relief from the pressure of imports" and fear of the consequences of the

Common Market "developing into a protectionist club."

In the immediate future, there lay the threat of plastics imports from America where chemical plants were likely to be forced to operate well below their normal capacity "in a recessionary period such as 1980 promises to be in the U.S."

he said.

But Mr. Lowe warned that there was also a possibility of growing imports from Eastern Bloc countries and from emerging producers in the Middle East.

Not only was the U.S. likely

to hit the European market by increasing exports, but it was also attracting a higher share of chemicals investment from both sides of the Atlantic, he added. "It is plainly evident that in recent years a number of U.S. companies have been disenchanted by the poor performance of their operations in Europe and have retreated back into the U.S.," Mr. Lowe said.

Conversely, a number of European countries have been stepping up their investment in the U.S.

# Textile threat 'exaggerated'

BY RHYS DAVID

THE THREAT posed by American textile exports to Europe while serious in some specific areas such as carpets and man-made fibres is being generally exaggerated, according to an analysis by Henry Cooke, Lutmsden, the Manchester stockbrokers.

Writing in its latest quarterly review, Mr. John Davenport, the firm's textile analyst, also challenges the stress that has been placed in Europe on the oil feedstock cost advantage en-

joyed by U.S. producers. Of equal importance to American producers are the economies of scale, of standardisation and of efficient production organisation and management. This pipeline had enabled the U.S. to reverse the UK's advantage of lower labour cost per unit of output.

The message contained in the review, which appears at a time when the EEC Commission is still studying the case made by

European fibre producers for counter measures against the Americans, is that Europe will probably have to become used to a greater measure of American competition than has been known in the past. This will be necessary, Mr. Davenport suggests, at least until such time as the U.S. finds itself free of the surplus capacity which is currently fuelling its enthusiasm for overseas sales. On present projections this could take some time.

# S. Korea wins 43 ship orders

SEOUL—South Korea's shipbuilding industry, recovering recently from years of slump, received \$643m (£311m) of new foreign orders for 43 ships with a combined tonnage of 753,000 tons in the first 10 months.

The Commerce and Industry Ministry said the orders received between January and October indicated the best Korean performance for any comparable period in terms of tonnage and contract value. AP-DJ

# Sapporo is a town in North Japan. Sigma is the 18th letter of the Greek alphabet. Driving a Colt is an education.

Sapporo was the venue for the 1972 Winter Olympics and is the highly appropriate name for a breathtaking 2-door coupe from Colt, the crowning glory of a remarkable range of cars well worth studying in detail.

A clue to the undoubted success of the Sapporo lies in the Sigma. To a mathematician, Sigma is the Greek letter used to signify the Total Sum of any expression, which is precisely why Mitsubishi chose it for their 4-door sports saloon, one of the most 'complete' cars on the road today.

The Sigma is a car in which the whole is so much greater than the sum of the parts, that merely listing its superb specification gives no idea of the car's true quality. An inspired blend of rugged reliability and sleek economy, the Sigma has an almost 'sports car' sensitivity that is an education to most saloon car drivers.

Building on this basic Sigma 'equation', the Sapporo adds a wicked degree of luxury and a measure of extra style that leaves the nurse slopes far behind. Above your head there's a unique aircraft-like console with a digital clock and a swivel mounted reading light and, at your fingertips, there's the smoothest ever power steering which is a standard feature of the Sapporo.

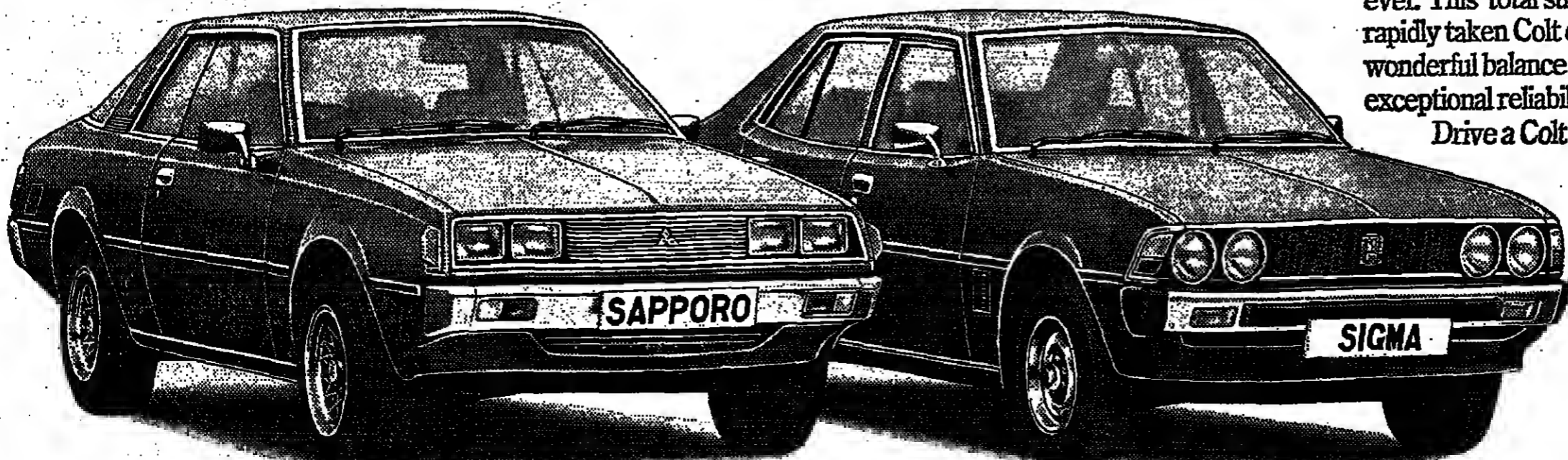
Both the Sapporo and the Sigma are available with either 5-speed gearbox or automatic transmission and are powered by the same highly economical 2-litre ohc engine with Mitsubishi's remarkable 'Silent Shafts' that cancel out conventional 4-cylinder vibration to give the smoothest ride ever. This 'total sum' quality of the Sigma and Sapporo have rapidly taken Colt cars into a class of their own through a wonderful balance of performance, comfort and quite exceptional reliability.

Drive a Colt soon, it really is an education.

Move up to a

# COLT

From the Mitsubishi Motors Corporation



THERE ARE 13 COLT MODELS RANGING IN PRICE FROM £2,859 FOR THE GLX1400 (3-DOOR HATCHBACK) TO £6,344 FOR THE LUXURIOUS SAPPORO (2-DOOR COUPE WITH POWER STEERING AND AUTOMATIC TRANSMISSION). PRICES SHOWN ARE ON THE ROAD PRICES AND INCLUDE SEAT BELTS, NUMBER PLATES, DELIVERY CHARGES, REAR FOG LAMP, RADIO, VAT, CAR TAX AND ROAD FUND LICENCE AND A 12 MONTH 100,000 MILE WARRANTY. TAXI EXEMPT. ALL CARS ARE FULLY INSURED. TAXI EXEMPT. ALL CARS ARE FULLY INSURED. TAXI EXEMPT. ALL CARS ARE FULLY INSURED. TAXI EXEMPT. ALL CARS ARE FULLY INSURED.





# “Mummy, what’s happened to Daddy?”

A lot of things can happen to Daddy in his workplace. He is vulnerable from head to toe. And he’s not only at risk from injury but infection too. Cleanliness is as important as safety in the factory. Both these things are your responsibility.

One company provides for the whole body of your workers—Sketchley Rental & Safetywear. And you can leave the whole job to us: Sketchley’s reliability and efficiency means minimum management involvement. We cover everything because

Sketchley Rental & Safetywear has the answer to all questions of safety and cleanliness, head to toe.

**Heads.** Are your safety helmets adequate? Are eyes protected sufficiently against injury? Are you providing the correct face masks? Sketchley help guarantee the safety of your workers’ heads.

**Body.** Is your workforce provided with clean working garments? Are they changed, cleaned and repaired regularly? The Sketchley Workwear service is famous for its reliability, range and economy.

**Hands.** Dirty hands please nobody. And an essential part of any washroom is the provision of clean cabinet towels. Sketchley provide a regular towel service with full back-up.

Are the hands of your workers well protected from injury? Sketchley provide a range of hard-wearing gloves to the highest safety standards.

**Feet.** Feet are as vulnerable as hands. So protective footwear makes sense for workers and management alike. Sketchley provide a whole range of proven safety footwear.

Feet also bring destructive dirt into your working premises. Sketchley’s dust-mat service makes a place cleaner and healthier to work in. And saves you money.

**Other parts.** If you’d like to know more about Sketchley’s safety products and rental services, write to Sketchley Rental & Safetywear, PO Box 7, Hinckley, Leicestershire or telephone 0455 38133. We can also arrange a free survey of your premises to ensure that your valuable daddies are being well looked after.

# Sketchley

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## RENTAL & SAFETYWEAR

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UK NEWS

Industrial policy challenged

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A DIRECT challenge to the Government's policy of disengagement from industrial affairs was issued last night in a controversial speech by Mr. Geoffrey Chandler, director-general of the National Economic Development Office.

Mr. Chandler's speech was based on the belief that this will not be enough, although he stressed he was not calling for a "U-turn". "The British economy is not a frog-prince to be transmogrified by a kiss or a cold bath. It is a Rip van Winkle needing massage in every limb," he told his audience of diary industry representatives.

BSM goes into fast food trade

By James McDonald

EXPANSION at home and into overseas markets and a move into fast food franchising were announced yesterday by the British School of Motoring, the world's largest driving school group.

Scrap steel sales abroad soar

BY ROY HODSON

RECORD QUANTITIES of British steel scrap have been sold abroad since restrictions on the trade were lifted in September.

Nimrod test stage is cleared

By Maurice Samuelson

WORK ON Britain's future airborne radar system has taken an important step forward with the clearance for flight testing of a new communications system aboard the AEW Nimrod aircraft, destined for service in the early 1980s.

Power plant injury award

A BOILER FITTER severely scalded by a high-pressure jet of boiling water at a power station was awarded £70,000 agreed damages in the High Court yesterday.

Southwark job scheme success

A £3M EMPLOYMENT and industrial development fund set up by the Labour-controlled London Borough of Southwark has helped save or create 1,200 jobs this year, the council claims.

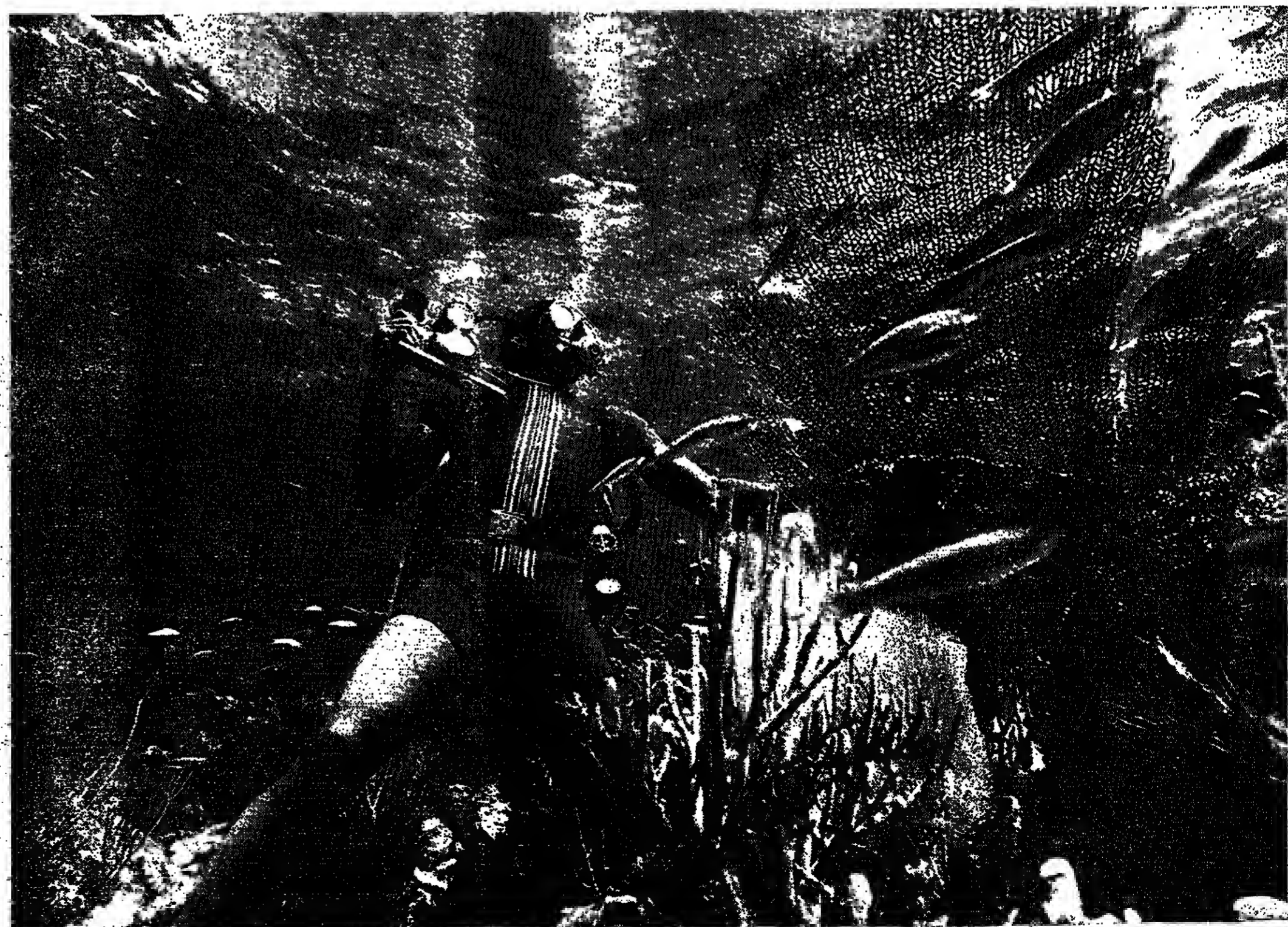
APPOINTMENTS

Managing director for BL Belgium

Mr. Gordon Aitken, a former General Motors executive, has been appointed managing director for BL BELGIUM. Mr. Aitken has held senior posts with General Motors in France and Belgium for more than 15 years.

BARCLAYS BANK HELPS YKK JAPAN ZIP TO THE TOP IN NEW MARKETS

YKK of Tokyo are the world's largest manufacturers of zip fasteners. They make zippers for just about everything. High fashion dresses. Flotation collars to contain oil slicks. Wet suits to go deep under the sea.





# Opencast workers to strike over pay claim

BY NICK GARNETT, LABOUR STAFF

UNION DELEGATES representing 6,000 workers employed on opencast coal sites yesterday gave employers two weeks' notice of a series of four one-day strikes in a dispute over pay and conditions.

Unless the contracting companies operating on the sites revise the offer, a further delegates' conference will reconvene in January to discuss the possibility of increasing industrial action.

The sites are an important source of anthracite. The decision to take limited action will affect contractors but is unlikely to have serious repercussions for consumers.

Mr. George Henderson, national secretary of the Transport and General Workers Union, which represents three-quarters of the 6,000 workers employed on the National Coal Board's opencast sites, said after yesterday's delegate meeting that further action in the New Year might involve a complete stoppage.

The Federation of Civil Engineering Contractors, representing opencast operators, said that it did not feel it had much room for manoeuvre in improving its offer.

The decision of the union ran counter to the best interests of the industry which would be served by unions and companies pressing for the opening up of more sites, the federation said.

A ballot among TGWU members resulted in three regions accepting the offer and four rejecting it.

However, the federation said that figures supplied by shop stewards showed that 3,100 voted in the ballot to accept the offer, and 2,143 to reject it.

But the delegate conference was unanimous in deciding on a series of four one-day strikes every Wednesday, starting on November 21.

Pay and conditions for opencast workers, who can earn £150 a week or more for using specialist equipment and working a lot of overtime, are covered by the main national

civil engineering agreement. The unions negotiate certain allowances for opencast workers above this agreement, however, and the transport workers' union is attempting to improve and extend these.

The claim involves an increase in the special conditions allowance from 13p an hour to £1.13 an hour and improvements in shift premiums and job rates. It also includes consolidation of all supplements, an extra week's holiday and some grading changes.

Employers have made an offer on the concessionary coal allowance and have agreed to join a consultative body with the unions on the opencast coal programme.

They say, however, that the conditions allowance is still, as intended, providing parity of minimum earnings between opencast and surface mine workers—and that all other elements of the claim must be discussed within the framework of national talks for civil engineering.

# Vote goes against BOC 13% offer

By Nick Garnett, Labour Staff

MANUAL WORKERS at BOC's gases division have voted to reject the company's pay offer, worth about 13 per cent over eight months.

A special conference of delegates representing the 3,000 drivers and gas cylinder handlers is being convened later this month to discuss how to pursue their claim further.

By last night, 26 depots had rejected the offer, which the company says is final. Sixteen have accepted, and four results are still to come.

Two years ago, the same workers staged a strike which severely disrupted the supply of industrial gases and caused considerable lay-offs.

Last year, they were among the first to breach the 5 per cent pay guideline, but the eventual settlement—at 9.3 per cent—was low compared with later pay deals.

BOC's offer involves an increase of £7.60 on basic weekly rates of £74 to £78. Average earnings are currently £107.83.

# Vauxhall plant set to stay idle this week

BY PHILIP BASSETT, LABOUR STAFF

VAUXHALL MOTORS' Ellesmere Port plant on Merseyside seemed set yesterday to remain idle for at least another week after a decision by 270 machine setters to continue their 10-week-old strike.

The setters, members of the Amalgamated Union of Engineering Workers, held a meeting yesterday at the plant after discussions last week with local officials of the union, but the feeling in favour of remaining on strike was strong enough for no vote to be taken on the issue.

Union officials are in touch with the setters' leaders, who have set a date for a further mass meeting next week.

The setters' opposition to the company's 17 per cent pay offer centres on a new differential it

establishes for 1,200 fitters at the plant, who are also AUEW members.

Both groups are currently on a rate of £86.80 a week. The offer gives the fitters a new rate of £100 a week, and the setters £99.20. Though the differential is small, the setters feel they have been downgraded.

All other major groups at the Ellesmere Port plant have now accepted the pay offer. But the company is not recalling them until the setters' dispute is settled.

Vauxhall said yesterday that it was "reviewing its position" after the setters' meeting. The company has already warned that he strike has jeopardised the plant's future.

# Nuclear workers accept 23% nine-month deal

BY OUR LABOUR STAFF

BRITISH Nuclear Fuels 6,500 manual workers have accepted pay increases of between 23 and 27 per cent in a nine-month deal.

The settlement, which includes consolidation of an £11.50 supplement from stage one of the last Government's pay policy, brings forward the group's settlement date from October to July next year.

General workers on a new top grade, according to the main union involved, the Transport and General Workers, will get a 27 per cent increase to take them to £86.13. Craft workers win a similar increase to take

them to £93.10. Rates in the general three grades will increase by 25 per cent, to give new rates of £74.14, £77.66 and £81.14. Craft estimators move from £67.71 to £97.66 and non-craft from £63.06 to £90.53.

The deal also includes a site allowance, new rates for public holidays and for working at heights and in abnormal conditions. The settlement follows a deal for 4,500 United Kingdom Atomic Energy Authority workers which union officials now put at being worth 21 to 28 per cent.

# Secondary blacking appeal opens

LORD DENNING was wrong to hold that secondary blacking action in a newspaper industry dispute was illegal, the House of Lords was told yesterday.

His decision, with that of two other Appeal Court judges last December, was contrary to laws established for 70 years. Mr. John Melville Williams, QC, for the National Union of Journalists, told five Law Lords headed by Lord Wilberforce.

The NUJ, backed by the TUC, is appealing against the Appeal Court's order that the union's instruction to Daily Express journalists to black copy from the Press Association, the national news agency, was illegal.

The instruction was in support of last winter's seven-week provincial journalists' strike which ended in January. The NUJ is proceeding with the appeal to test the legality of secondary blacking.

which it regards as a fight to maintain a free flow of news.

It had claimed that, although not in dispute with the NUJ, its own employees or the Press Association, the blacking of Press Association material had lost thousands of copies and resulted in poorer quality newspapers, produced at greater cost and less efficiency.

Mr. Melville Williams told the Law Lords that the NUJ called the 'provincial journalists' strike' in support of a wage claim. It called the Press Association out in support.

Only about half the Press Association's NUJ journalists went on strike and the union lost a minority of circulation. Its other members on national newspapers, including the Express and other branches not in the Press Association copy,

would go to provincial papers.

The question was whether the union's instructions could properly be said to be "in furtherance of a trade dispute" between provincial journalists and their employers, so qualifying for immunity under the 1974 Trade Union and Labour Relations Act.

Lord Denning had said the words were "not to be construed widely, so as to give unlimited immunity to law-breakers."

But in a previous case the House of Lords had held that the words in the Act were to be construed with their natural meaning.

cases, after a trade dispute had been shown to be in existence was: Was the act done in furtherance of that dispute? The question was not: Will the act done in fact further the trade dispute?

The court's concern was the nature and quality of the act, not with its subsequent or likely results. The court must decide whether the union's act was done genuinely to further a trade dispute, that was to say, to "give aid, assistance or encouragement."

The NUJ's instruction to its members at the Express had to be looked at in that light. It was genuine and it was done to help and encourage the NUJ.

"Where, as here, the words are clear and have a meaning established for 70 years, and have been re-erected in the light of the established meaning,

# Fight cuts, Evans urges

BY OUR LABOUR STAFF

MR. MOSS EVANS, general secretary of the Transport and General Workers' Union, yesterday called for "massive support" for a union lobby of Parliament at the end of this month against the Government's public expenditure cuts.

the lobby, and the union's 11 regional secretaries have been asked to give it priority.

Trade groups outside the public services group are also being asked to take part.

Mr. Evans said the lobby, which is planned for November 20, would be the start of a long campaign to defend jobs and the social wage.

# LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of LOCAL AUTHORITY BONDS.

# Details of one of the biggest air bases in Europe.

Runway 16/34 (3700 m). Aircraft of more than 45 scheduled airlines observed.

Swissair Catering (prepares almost 20,000 meals a day for Swissair passengers and those of over 30 other airlines).

Road to Zurich (11 km to centre).

Swissair B-747 being readied for flight to New York.

DC-10-30 fresh from major overhaul (awaiting passengers for Swissair flight 202 to South America).

Transit building with banks, post offices, telephone services, restaurants, bars, showers, nurseries, tax-free shops, and many other shopping opportunities.

Swissair DC-10-30 (with 8 instead of 9 seats abreast in the economy class) at the dock. Just arrived on time from one of the 9 Far East destinations.

Briefing room (here Swissair crews prepare for their flights to more than 90 destinations all over the world).

Baggage container (unloaded from a DC-10-30 that has brought passengers from one of Swissair's 19 African destinations. The bags of transit passengers are transferred direct to connecting flights).

Swissair DC-9 to one of the more than 40 European destinations taxiing to the take-off runway.

Cargo terminal (handling capacity 225,000 tons a year. Swissair carries goods to more than 90 destinations).

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Parking Garage B (capacity 2100 vehicles) with shopping centre (e.g. delicacies, pharmacy, men's and women's fashions).

Arrival building with Welcome Desk for hotel reservations and excursion arrangements in Switzerland and neighbouring countries, from 2 hours to 2 weeks.

Swissair flight 392 ready to take off for one of the 11 destinations in the Middle East.



مكتبة الطفل



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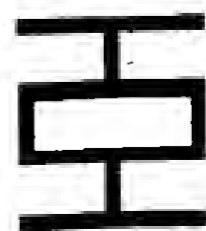
The lesson we learnt when we were children was primarily about strength, but that is just the beginning with brick. Its combinations of colour and texture come to over 800 and the effects that can be created are unmatched by any other material.

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

The case against a shorter week

BY JASON CRISP

THE PROSPECT of a shorter working week was one of the issues which greatly exercised managers at the annual conference of the Institute of Personnel Management. Pat Lowry, personnel director of BL reflected bitterly, "We need a shorter working week like a hole in the head."

John Lloyd examines NEI's strengths after its two-year struggle for survival against the odds A growing power beside the Tyne?

NORTHERN Engineering Industries is now nearly two-and-a-half. This infant, which looked sickly at birth, and had many of the powers in the land working hard to abort it, is now said by its competitors to be kept alive by artificial means... yet survives, even grows, and plans to expand.

The power plant industry worldwide has, since the mid-1970s, been suffering from a deep depression. Rising oil prices have slowed growth and depressed electricity consumption: while growing anti-nuclear feeling has disrupted — or even halted — nuclear plant programmes in a number of industrialised countries.



Duncan McDonald: "I have never been in any position other than a small company challenging the big fish."

we are in power plant. We can see large opportunities in the area both here and in the U.S. We haven't got large cash reserves, but we're not highly geared; we can borrow to do it."

Take advantage of the ABOLITION OF EXCHANGE CONTROLS

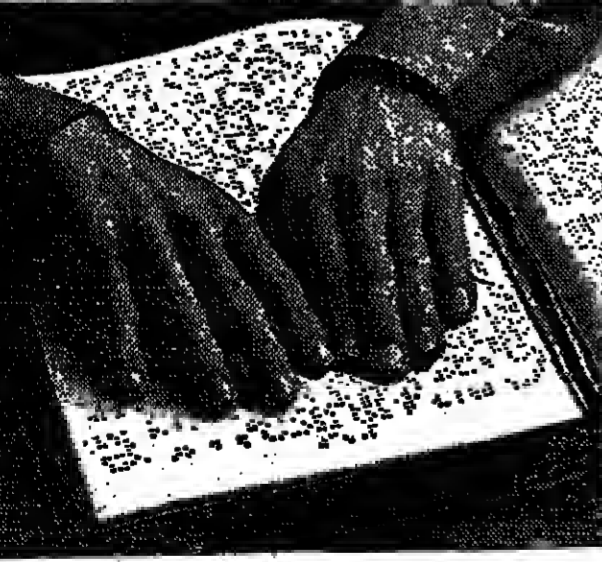
A national conference on how to get the best out of the new tax/exchange control climate has just been arranged for 20 November 1979 at the London Hilton.

to encapsulate six months of public struggle: the (Labour) Government tried to promote the mergers, and failed, broken by the determination of the north-eastern — both management and unions — not to be taken over and stripped as they feared.

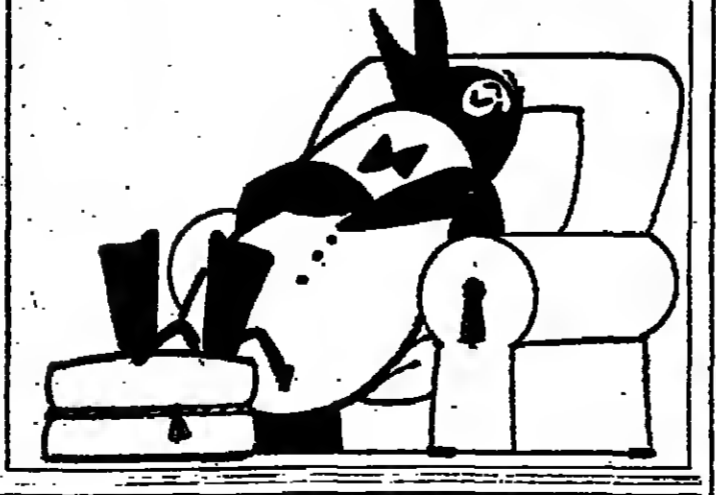
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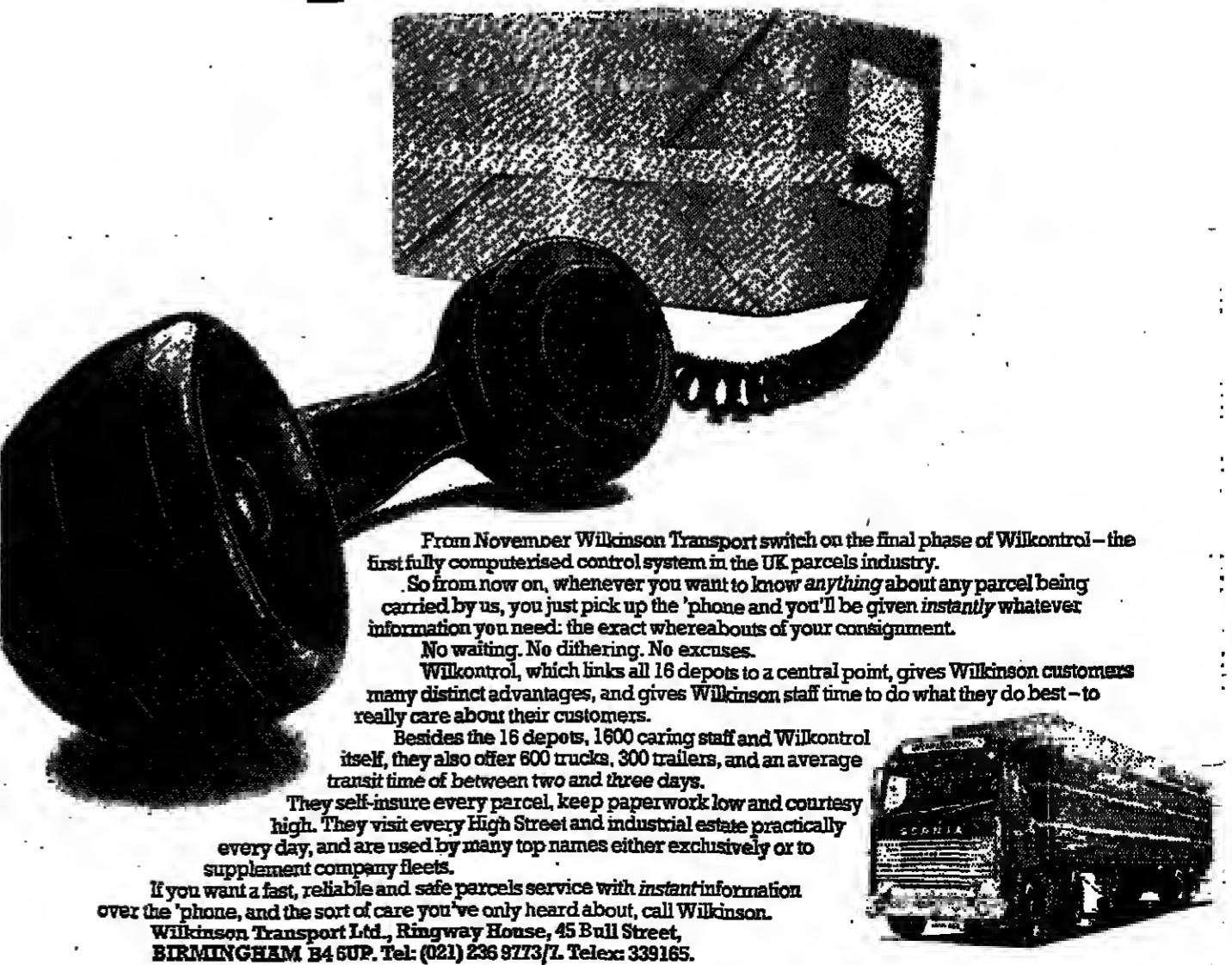


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Wilkinson Transport The one that still cares





Royal Academy

John Flaxman

by DAVID PIPER

"The great and golden rule of art, as well as of life, is this: that the more distinct, sharp and wiry the bounding line, the more perfect the work of art."

Blake was notoriously prone to hyperbole, and his judgment of artists eccentric by most standards, dismissing as he did the "ignorances" of Rubens, Rembrandt, Titian, Correggio—

The exhibition, John Flaxman, R.A., at the Royal Academy until December 9, sets out the history of these illustrations fully—in original drawings, engravings in various degrees of degeneration, and works by later artists inspired by them.

The specific cause of such admiration was not his sculpture, but the illustrations he made, starting in Rome in 1792, especially for Homer and Dante. Engravings of these were broadcast through Europe in edition after edition of the poems; in the engravings, the "distinct, sharp and wiry" qualities which Blake demanded are demonstrated in their ultimate simplicity.

Though Friday's performance may have appeared to prove the contrary, not much is basically wrong with the new English National Opera. Flying Dutchman, Nothing that cannot be solved by Hvelser singing from most of the principals, more dramatically focused conducting from David Lloyd-Jones, and a swift replacement of the original language by an English translation.

as soft machine-drawn wire compared with the sharp but delicate tension of the hair-spring of a watch. The void surrounded by the outline may seem as empty as a yawn. Indeed, Flaxman himself was embarrassed by the international respect paid to his "outlines."

The exhibition, John Flaxman, R.A., at the Royal Academy until December 9, sets out the history of these illustrations fully—in original drawings, engravings in various degrees of degeneration, and works by later artists inspired by them.

The Wedgwood connection is very fully represented, and it is remarkable how little Flaxman's famous designs for Wedgwood lost in their progress from drawing to wax relief (both by Flaxman) to the trial from the mould, to the final white relief on the Wedgwood blue Jasper ware.

On such occasions there is a sort of tacit agreement between audience and singer, well understood by everybody. What the audience really wants is an unending string of all the most thrilling arias from the singer's repertoire; that, however, would be unhealthy, and they are not going to get it.

Yevgyn Svetlanov conducts the mainstream 19th-century repertoire infrequently enough in this country to make even his account of orchestral contribution to Brahms's Violin Concerto of considerable interest.



'Come thou Blessed' a model for the monument to Agnes Cromwell

designs for medallists and for silversmiths are shown here, including the superb Trafalgar Vase—but the inscription blazoned on it to celebrate that great naval victory may now read rather doubtfully, Britons strike home!

The exhibition was sparked off by interest from German scholars, especially that of Professor Werner Hofmann, and was staged first at the Kunsthalle in Hamburg. The catalogue has contributions from Professor Hofmann and other distinguished specialists in the period, who lives in it ("come" is not easy to translate—more godmother or gossip than fairy or witch, but, at least in the present case, some kind of supernatural being).

Angela Carter wins 1979 Cheltenham Prize. The winner of the 1979 Cheltenham Prize is the novelist, Angela Carter, for her book, The Bloody Chamber—published by Victor Gollancz.

Wexford Festival—1

Crispino e la comare

by RONALD CRICHTON

The bill of fare at Wexford this year was enough to tempt the most satiated operatic stomach: three once-popular works by Italian composers, about as well diversified as could be.

Luigi and Frederico Ricci collaborated on various occasions during their careers. Crispino (Venice, 1850), their great joint success, stayed in the repertoire for many years. The text by Pieve (Verdi's much-tried librettist for several operas of a different kind) is a mixture of opera-buffa and fairy-play.

Luigi and Frederico Ricci collaborated on various occasions during their careers. Crispino (Venice, 1850), their great joint success, stayed in the repertoire for many years.

Crispino duly resuscitates a stone mason and cures his miserly landlord's ailing daughter—the old boy sickens in her place. But success and wealth make the cobbler-doctor overweening. He is arraigned by the fairy in a scene followed by a brisk moralising finale—the two are like a folk-memory of Don Giovanni.

The brothers Ricci had a vein of not very distinguished but abundant melody: time after good-natured time tumbles out, with lulling waltzes and gently tripping numbers in the mood of "Io son ricco, tu sei bella" in Donizetti's L'elisir d'amore.

Sesto Bruscia directed the opera and sang Crispino. His own performance had all the old grace and elegant gentility, the dark vocal tone still has a silver lining.

ICA

Frederic Rzewski by DOMINIC GILL

The second of Adrian Jack's excellent MusicaICA series—ten concerts of contemporary music between now and April 6 at the ICA—opened on Sunday evening with a recital by the American pianist Frederic Rzewski.

Rzewski was undoubtedly the group's star performer. But in those days, MEV was a community, a musical meeting-place—a performance group, a way-station, and a school where older and younger learn from each other and play together on the same stage.

On February 10 at the Round House, Electric Phoenix offers works by Roger March, Nigel Osborne and Rolf Gehlbach.

his recital (Rzewski now lives in Rome) began with Wiederkehr by Luca Lombardi (b. 1945)—a short, uneasy "post-modernist" concoction of idioms from Mahler to Schoenberg to Messiaen, Bartok and (unmistakably in the ostinato final section) Prokofiev.

The whole of his second half Rzewski devoted to his own The People United Will Never Be Defeated—a huge, hour-long pot-pourri of variations on the Chilean song El Pueblo Unido Jams Sea Vencido!

On February 10 at the Round House, Electric Phoenix offers works by Roger March, Nigel Osborne and Rolf Gehlbach.

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Tuesday November 6 1979

An expensive lesson in free collective bargaining

By CHRISTIAN TYLER, Labour Editor

The CBI and bargaining

THE Confederation of British Industry had rather a flat opening day for its first national conference, but today it reaches the red meat of its agenda: pay bargaining. Events had overtaken the first day's agenda; the decline in sterling between the draft and the debate saw to that. By freeing exchange controls, the Government has done all that it can in the short run to allow the currency to reach a realistic external value. Reduced public expenditure and a fiscal balance more appropriate to the Government's monetary objectives may permit some further adjustment; but that is all the Government can be asked to do.

One consequence

The result will certainly not be enough to blunt the edge of foreign competition on its own. One of the consequences of a monetary policy designed to act as a brake on inflation is an exchange rate which will remain too high for the comfort of any but the most efficient; that is one of the ways in which the policy works.

Industry is aware of this, and employers are already showing considerably more determination than for some years past to resist unreasonable wage claims. However, the results so far, as is shown in an analysis on this page, are not encouraging. Hence the CBI is seeking to agree on new approaches to the problem.

Which has already been rejected for the time being by the Government is the effort to launch some new forum in which economic realities could be discussed. This is an effort to achieve the kind of co-determination which has served so well in such countries as Germany and Austria, and is hardly new here. The late Mr. Reginald Maudling was inspired by the same idea when he launched the National Economic Development Council.

Power to deal

It would be surprising if a second forum of much the same kind produced any strikingly better results than the first in present British circumstances: in the language of the City, the union leaders have not got the power to deal, even if they wished to do so. This is the problem which has dogged not only employers, but successive governments of both parties, for decades.

The causes of this virtual anarchy are complex and deep-seated, but two seem worthy of

TO SPEAK of a pay norm is tantamount to blasphemy in Whitehall these days. Civil servants who formerly spent hours poring over the fine print of company pay agreements to see whether they "conformed," are now expected to register a total lack of interest in the way the country's pay bargaining is going.

But outside Government circles, company negotiators speak of little else. There is of course, no "norm" as such. But the going rate—always a potent influence in any wage round—has quickly taken its place in the personnel managers' vocabulary. What is more, the going rate is being queried at around 16 or 17 per cent today, and forecasts of 20 per cent or more by the end of the winter are not uncommon.

This is the reality of collective bargaining in the first year of freedom since 1974 and one of the few unbettered periods since the last war. As the personnel managers of one large company said recently: "We've just got our deal in at 15 per cent—and here we are congratulating ourselves because we're early in the round."

Involvement

This is bound to be a painful and expensive business for those involved—though it is worth remembering that the problem is still concentrated in a relatively narrow sample of industry, and that in most firms peaceful settlements are still the norm. However, where unofficial militants have gained the upper hand, there is probably no short cut towards re-establishing an effective bargaining process.

The second need, recognised in the Welsh resolution before the CBI conference, is to develop effective employee involvement—that is, to ensure that employees feel themselves members of each enterprise instead of predators upon it. This has been recognised by the CBI for some time, but neglected in the fight to ward off the kind of Government interference urged in the Ballock Report. It must now come back to the top of the agenda, with meaningful information and meaningful rewards related to performance as the main weapons.

ment at least—is a matter for negotiators alone, the suspicion remains that no Government, including the present one, can stand by while the country bargains itself into bankruptcy. Mrs. Thatcher will have nothing to do with pay politics, but when pressed, she has refused to rule out a pay freeze in an emergency.

Plans for an "economic forum" have been shelved, partly on the grounds that it would be difficult to set up the necessary apparatus without suggesting that a pay norm should be applied, and partly because the TUC is just not in the right frame of mind to participate.

But the concept of such a forum—much debated by the TUC and Labour Ministers at the end of the last Government—lingers on. It would be surprising if Mr. Len Murray, the TUC General Secretary and a supporter of incomes policies, were not to be asked by the Employment Secretary whether the forum could be set up some time next year.

For the present, the Government is confining itself to warnings that greed at the bargaining table will lead inexorably to tears in the dole queue. The accent is on pay for productivity—a message reinforced recently by Mr. James Prior, Employment Secretary, who (with perhaps half an eye on the Ford Motor negotiations) also said that a company's profitability was not, as the Ford unions have argued, a proper justification for big wage demands.

To be sure, the captains of industry taking the rostrum at CBI conferences will echo their praise of this approach, as they lay their plans for developing "employer solidarity." But if there is confidence on the platform, there does not seem to be much in the gallery. Unofficially, the CBI is believed to be begging company chairmen to settle below the rate of inflation—and preferably at no more than 15 per cent.

Battle for The Times

Employer morale has not been helped by the symbolic defeat of the Engineering Employers' Federation over the shorter working week. The EEF fought what, certainly in trade union eyes, was the opening campaign in the struggle to reassert employer power—and it lost. The quite unconnected battle at Times Newspapers has been interpreted in a similar way, as was the 11-week fight at Independent Television which ended with a 45 per cent pay rise over two years.

Meanwhile at the TUC, where the arguments for and against free collective bargaining have raged for years, there is a deafening silence. The trade union general secretaries are back in their parishes and all bets are off. Indeed, some of the most fervent supporters of a national

PAY SETTLEMENTS AND CLAIMS SINCE THE BUDGET table with columns for month (JUNE, JULY, AUG., SEPT., OCT., NOV.) and various industry groups with their respective settlement percentages and details.

wages consensus are busy making sure they do not get left behind in the race. Any hopes of a controlled experiment in wages planning seem to have been dashed by the Conservative's general election victory—although the Left is already suspicious that Mr. Murray is waiting for a chance to reopen the question.

The TUC has enough already on its plate: the forthcoming Bill to amend the labour laws in possibly crucial ways, and the propaganda campaign against the Government's public expenditure plans. Mr. Murray has, however, warned that the Government policies are doing nothing to help moderate the wage round, and has defended trade unionists' right to seek to maintain their standard of living. He has not put a figure on it.

Significantly, however, the TUC has vociferously defended the RPI as the proper bargaining yardstick; and the Government's attempt to bring home the offsetting advantages of its incomes cuts by means of the so-called Tax and Prices Index has already been swept aside.

For most of the unions, free collective bargaining means maximising the workers' share of company profits—where there are profits—and at least keeping pace with inflation when there are none.

The restraining effect of threatened unemployment on wages does not seem to carry the weight ascribed to it by the politicians. The problems of BL did not stop the unions putting a claim for 30 per cent, and the crisis at the British Steel Corporation did not stop the moderate, pro-incomes policy. Iron and Steel Trades Confederation asking for an estimated 20 per cent "Ashby to pay" is, for most unions, a subjective concept—perhaps because they do not see the books, or do not believe the figures that accountants put before them.

There is an interesting exception to this state of affairs, and that is the National Coal Board, where negotiations with the National Union of Mineworkers resume tomorrow. The NCB, which enjoys unusually close co-operation with the NUM on most strategic matters, has put on the table—its every penny that it has, including some that it has yet to receive from the Government. Mr. Joe Gornley, president of the NUM, and his moderate colleagues seem to have accepted that the rest of the money will have to come out of further productivity payments or out of a rise in the price of coal. That will still leave the union a long way short of its claim, and it remains to be seen whether the NUM will stick firmly enough to its wage targets to force Sir

Derek Ezra, NCB chairman, to go cap in hand to Number 10, Downing Street. Within the general trend of settlements suggested by the table above, there are some important exceptions. In the motor industry, for example, Chrysler, under its new French owners, stuck hard on its 5 1/2 per cent basic rate offer despite long strikes at the two Coventry plants, when the trend of deals outside was moving up towards 17 per cent. BL seems confident of setting away with 5-10 per cent, despite a 30 per cent claim. Vauxhall, by contrast started high, at 17 per cent, but stayed there despite a 10-week strike at Ellesmere Port. Ford's strategy will be known next week—but it could find itself at around 20 per cent eventually. Shell opened its bidding for its industrially powerful tanker drivers at 18-20 per cent, while the shipping lines went rapidly from 15 to more than 17 per cent with their offers.

At the same time the old 12-month habit is being widely broken, in oil companies, in the banks and elsewhere, as employees come back for more or take short deals—sometimes because it suits the employers to change the anniversary date. Productivity deals, so much a feature of the last incomes policy, reportedly dropped off during the later months of the last round as the policy crumbled. There is some evidence that companies are now looking for real, rather than cosmetic productivity bargains. Two other features stand out. One is the way in which the public sector has been leading the way in the past year—in gas, water, electricity, the Post Office and the nuclear industry, for example. The other, of course, is the renewed pressure on employers to concede shorter working hours.



Sir Derek Ezra, chairman of the National Coal Board, every penny put on the bargaining table

No welcome for a coup

THE TRADITIONAL instability of Bolivian politics has shown itself once again. Last week's coup d'état by Colonel Alberto Natusch is, however, more important than many of the 200 other coups which preceded it in the century and a half of Bolivia's independent existence. Unlike many, it has proved to be more than a mere palace revolution. In its tortured history Bolivia has seen many instances of senior officers or civilians taking power almost as if by whim and encountering little or no resistance. But last Thursday's action by a disgruntled and ambitious officer has provoked counter-attacks and anger rather than passive indifference.

Clandestine

President Walter Guevara Arze, the interim civilian president who was installed as head of State a few months ago after an inconclusive result to general elections, has not accepted a fait accompli and has refused to recognise Colonel Natusch's action. In the eyes of many, perhaps most Bolivians Guevara is still president though he is being obliged to operate in a clandestine fashion. Many civilian politicians also have defied Colonel Natusch's decree dissolving congress. Some military units have maintained pockets of resistance to what they consider to be a plot hatched by right-wing extremist factions in the army.

Newspapers have not appeared because their editors have been unwilling to submit themselves to the censorship that the pro-Natusch forces have attempted to impose. Though the Colonel has greater firepower than his adversaries it is clear that he is far from controlling the country. Domestic resistance to Natusch and his right wing colleagues is significant. It proves that respect for the constitution and the rule of law is greater than is sometimes supposed by observers of the Bolivian situation. At least as significant is the reaction from outside Bolivia. The hostile nature of this reaction appears to have come as something of

MEN AND MATTERS

All brothers at the Consul

Fraternal greetings will come with the early-morning tea at the Consul Hotel from now on. The Transport and General Workers Union has bought the hotel in Lancaster Gate, London, for 2,600,000 to put up its members when they come to town.

"We shall be the envy of all other unions," says Larry Smith, T and G executive officer. "The hotel will be a closed shop, of course—all the staff, including the manager, are going to be T and G members." The 36-bedroom Consul has been bought from an Iranian. It is in a favoured position near Kensington Gardens, and Smith says there is another reason why it will be members' heaven: they are at the hub of things. "The offices of the Football Association are next door." The newly-appointed manager is Arthur Sleeman, a chef. He has been chosen, his staff, while the hotel is being completely refurbished, "says Smith. "Our members will be assured of quality accommodation when they come to London on their statutory allowance." But the rank-and-file public will not be accepted at the Consul.

Human rights

Only last month the U.S. expressed its disquiet at a proposed loan by the Inter-American Development Bank to Guatemala where the Right-wing regime of General Romeo Lucas has been criticised for its disregard of human rights and the elementary rules of good government. Washington's attitude, which will effectively block many new loans to Guatemala while General Lucas remains in power, is, like its policies towards General Romero and Colonel Natusch, the symbol of repudiation for military government and acceptance of reform in Latin America.

Ojukwu appeals

Nigeria is waiting to see what will happen to the High Court appeal of the Long-excited

Fuel-less smoke?

Unsubstantiated rumours of a takeover looming for Consolidated Gold Fields have driven its share price up 50 per cent in nine months. Everyone in the City seems to have a view on the matter, the most influential, self-fulfilling, and therefore enduring being that there is no smoke without fire.

For its part, the £450m ConsGold has consistently denied it has received any approaches. The main alleged bidder, South Africa's General Mining, is equally adamant that it is not building up a stake. This has not, of course, quenched the theories—some of them highly ingenious—about what may happen. One speculation is that Gold Fields of South Africa is in fact planning a reverse bid on ConsGold, its main stakeholder. Then, it is argued, the other subsidiaries will be asset-stripped, and the Australian interests, in particular, sold for a good profit. "Australia is awash with cash," aver City gossip.

The uncertainty has a great deal to do with the fact that the company is largely owned by small investors, something which does admittedly make it more vulnerable. Probably the principal individual stockholder is Ron Amey, a non-executive ConsGold director who at the last count controlled 197,033 shares. He is no stranger to takeovers, having joined the board of ConsGold in 1972, when ConsGold took over the gravel-working company his father founded, the Amey Group. "We had 400 tons of gravel under our belts, and they gave us £35m," he recalls. "Or maybe it was the other way round."

Nota bene

A colleague queuing in the main Paris branch of Barclays Bank last week saw the man ahead of him withdrawing FF 11,000. When the girl behind the counter began handing over FF 100 notes, the customer hurriedly pushed them back and asked for notes of different denominations. He explained that he was the cashier of a large French haulage firm, whose trucks went as far as Iran. "When our truck drivers reached the border and

Footnote faults

At a fund-raising dinner in New York on Sunday Henry Kissinger proved again that his ego is as robust as ever. The host of the gathering introduced the former U.S. Secretary of State with a laudatory eulogy, then added carefully: "Of course, Dr. Kissinger has made his mistakes, as well." Coming in the wake of the controversy about his role in Cambodia, this plainly struck Kissinger as stinging criticism and he hunched visibly. But upon reaching the podium, he chose heavy irony over a dejected reply. "The only mistakes I have made are all listed," he proclaimed, "on page 1,100 of my new book." The audience chuckled dutifully.

Handle with care

The debate about monetary policy has become so fraught, according to one Treasury official, that discussion documents sent to the Bank of England by the Treasury are being sent back marked "Top Secret."

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Stars of the next decade

By Richard Hanso

THE TITLE of this feature suggests that Japan is about to have a new export boom in the markets of the industrialized world. The Japanese government is more than ready to help in the way of the so-called 'open door' policy which allows Japanese to open their bodies and minds to the world.

Advertisement for Swindon office space with a 'DO' sign and contact information.

السوق المالية

# Japan's New Industries

Japan's trade strategy for the eighties is to concentrate on the products of advanced technologies such as electronics, aircraft and nuclear power. There are already signs that this is bearing fruit, with the added bonus that competing industries of the West seem keen to enlist Japanese help in promoting joint international ventures.

## Stars of the next decade

By Richard Hanson

THE TITLE of this survey may suggest that Japan is about to launch a new export assault on the markets of the world, just like the onslaughts of the 1960s and 1970s except with more sophisticated (and perhaps therefore more menacing) products in the vanguard. The European or American businessman who witnessed the past success of Japanese steel, ships, colour televisions and cars in his own backyard might well shudder at the thought.

It is not, however, a signal to pull up the drawbridge and man the barricades. The new wave of export products is not likely to spark the same kind of sometimes emotional confrontations between Japan and its trading partners which has dominated the trade news of this decade.

This is not to say that Japan has lost any of its ability to effect thorough penetration of overseas markets. The new exports are proving to be pace-setters around the world. What it does mean is that Japan is becoming successful in areas which could well point the way for other countries. This could mean more co-operation with Japan in some cases, and a great deal of catching up in many others.

The "new" generation of industries emerging in Japan has already begun to play a very important role in the domestic economy.

During the latter half of the 1970s Japan has experienced a great deal of painful readjustment to the realities of soaring oil prices, (coupled now with limited supplies), recession in traditionally strong industries like shipbuilding and steel, and the double-punch effect on exports of protectionism abroad and a sharply appreciated currency.

It is now obvious that many of the industries which provided the stimulus for rapid economic growth over the past two decades have reached something of a plateau. Shipbuilding and colour TV production peaked in the mid-1970s in terms of export

earnings. The shipbuilding industry now has only 35 per cent of its 1974 capacity intact, having scrapped or mothballed the rest under watchful Government eyes while riding out the prolonged worldwide shipping recession (caused in part by overbuilding in Japan).

Colour TV makers have shifted virtually all production for the U.S. market to the U.S. itself (because of U.S. restrictions on imports) and have already saturated the domestic market (sales at home have remained buoyant despite this).

The motor industry reached what is widely regarded as a ceiling on exports in 1978, when car shipments accounted for nearly 16 per cent of the country's total exports. The value of those exports will probably rise slightly this year, but in years to come may never regain their former dominant position.

### Orderly

The steel industry, now operating at around 70 per cent of its blast furnace capacity, seems content to maintain a world of "orderly marketing" agreements. Any new increases in the value of exports will be more the result of producing more expensive steel products rather than of a surge in volume.

This brings one to the area in which Japan has been consistently expanding exports, a vaguely defined category called

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"general machinery" which made up 35.9 per cent of 1978 exports compared with only 24.3 per cent in 1970. This is the category in which many of the "new" industries fall.

They include industries producing small tractors (a market which Japan both nurtured and dominated while the big boys paid no attention), medical electronics (taking advantage of developments in the U.S. and Europe), office machinery, communications equipment, small computers, industrial robots and numerically controlled machine tools.

The common thread running through most of these industries is technology and the use of sophisticated electronics (such as integrated circuits), automation and the combining of several functions in one unit (always a Japanese strength). In turn, the growing use of electronics is spurring new business opportunities. Car electronics

in Japan, for example, may produce a \$10bn industry by 1990.

From a "national interest" point of view, the "new" industries of greatest importance (and as a result the ones which have received the most attention and funding from the Government) are large computers and computer systems, aerospace and nuclear power. In each of these three areas Japan was a relative latecomer. Initial efforts were directed at simply catching up on the levels already achieved in the U.S. and Europe.

### Second

The strategies appear to be working well enough. Japan now has the second most powerful computer industry in the world (having fostered the industry since the 1960s in a "hot house" atmosphere, while carefully fending off total domination by America's IBM). European and American air-

craft and aircraft engine makers are beating a path to Tokyo trying to enlist Japanese co-operation in developing a future generation of commercial jet airliners.

In nuclear power plants and components, Japan faces the difficult problem of not having its own nuclear fuel and having to act within the constraints imposed by the need to avoid the proliferation of weapons grade nuclear fuel.

But Japan, despite serious delays in building nuclear power plants at home, is already the second largest user of electricity generated by such plants. Its dependence in the future will increase rapidly. More important, however, is the fact that the Japanese nuclear industry is fast becoming as sophisticated as any in the world. It may overtake the U.S. and European countries if progress continues to be blocked by strong anti-nuclear lobbies in those countries.

One characteristic of all of the new industries is that (largely because they are new) there are usually a large number of companies involved and the competition therefore severe. This may have the effect of weeding out the weaker companies (as has happened already in big computers) but it also provides the impetus for big advances in the quality and variety of their products.

Eventually, Japanese businessmen assume that assurances of quality (the no-defect colour TV, for example) will assure markets overseas.

Of course, the competition also encourages a rapid expansion of exports by companies which know very well the merits of large-scale production.

There is, however, less likelihood that the new generation of exports will create the same kind of world tensions (and protectionist sentiment) among trading partners which arose in the case of cars, steel, ball bearings and colour TVs in the 1970s.

First, at this stage many of the new generation products are being sold through "OEM" arrangements, i.e. under the brand name of local companies. This is true for the large computers which Fujitsu and Hitachi sell in the U.S. and Europe. The strategy is to build up exports rapidly, but it will be changed as quickly as possible to use of the Japanese brand names. Even this switch

will not be all that important because in most cases the products involved will not actually surface very much into the public view anyway.

Secondly—and some consider this a more important factor—the Japanese are not presenting new challenges in industries which (as was the case in steel for both Europe and the U.S.) are suffering from outdated plant and equipment, and where local inefficiency has been encouraged by government problems. Japan may be out-running the Europeans in many new areas and catching up with the U.S., but the competition is with the fabled giants of American industry, like IBM and Xerox, which for a long time held virtual monopolies in certain fields.

### Example

Finally, the products which Japan is offering the world are in many cases only available from Japan at the moment (home video tape recorders are perhaps the most dramatic recent example of this).

The advance of new Japanese industries is providing Europe and the U.S. with a very strong challenge for the future, but trying to catch up with Japan should certainly be considered a far healthier situation than what happened in the past, when a great deal of effort in other countries went into defending industries already mired hopelessly in the past.

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Many do not know that Europe is a major source of food for Japan. Mitsui imports much of it. European sporting goods are also popular. Mitsui even created a sales company, Mitsui Bussan Sporting Goods Co., Ltd., to promote and sell these products.

Often a European product can be marketed more effectively in Japan through a joint-venture company. Mitsui has been instrumental in setting up many, with such well-known names as Lipton's, British Leyland, Novo Industri and Mitcom AG.

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Now that you are aware of these little-known facts, you can have confidence in Mitsui.



# Flair for design work

## AEROSPACE

PAUL J. RUBIN

WING AVIATION PRESS, TOKYO

JAPAN'S AEROSPACE industry today is quite small compared to its European and American counterparts. At the end of World War II during which the aircraft industry had 1m workers and a technology on a par with the most advanced nations—all aviation activities were brought to a halt and not resumed until the height of the Korean conflict in 1952.

During those seven years the world's aerospace industry made great strides into many new fields. Jets were developed, the sound barrier was broken and helicopters were put into practical operation. At the time when jet transports were the revolutionising air travel, the reborn Japanese aircraft industry was just beginning simple repair work on U.S. military aircraft.

The Defence Agency resumed aviation activities two years later, and the local aircraft industry began to expand first with additional repair activities and then with licensed production of jet aircraft and helicopters. Early production included aircraft such as the T-34, P-2V, F-86F and small helicopters, after which the local industry began developing aircraft on its own. Following improved versions of T-34 and Bell 47G, Japanese aircraft builders were ready to begin developing original aircraft.

The T-1 intermediate jet trainer developed by Fuji in the late 1950s was the first postwar aircraft developed entirely by Japan. Only 66 were produced, but the aircraft was designed by young engineers educated after the war and its development gave confidence and experience to the fledgling industry. Expanding into the non-military market, Mitsubishi developed the MFZ2 twin-engine turboprop business aircraft in the early 1960s, and Fuji introduced the FA-200 single engine light aircraft in 1967.

The development of a commercial air transport, however, was too large for any one Japanese company to tackle alone. As a result the domestic industry grouped together during the early 1960s to embark on its first passenger transport, the YS-11 turboprop.

The main purpose of the project was to enable the domestic aircraft industry to break away from its dependence on military demand.

During the 1960s Japan was also carrying out licensed production of more advanced aircraft such as the F-4EJ fighter and the latest helicopters, which helped the manufacturers to develop original technology in other fields.

Flying boat technology is one of the fields in which Japan has excelled. While conventional flying boats can land on relatively calm seas only, the Shihon Meiwa PS-1 anti-submarine flying boat can land on rough seas with waves up to 12 ft high. This ASW patrol boat's excellent short take-off and landing (STOL) characteristics and ability to withstand high waves have also been applied to the US-1 long-range amphibious search and rescue derivative.

The T-2 advanced trainer developed by Mitsubishi in the early 1970s was the first supersonic aircraft designed in Japan. This twin-engine jet trainer was later modified into a support fighter called the F-1. Another example of original Japanese aircraft technology is the Kawasaki C-1, the first domestically developed jet transport, which was made to meet the local needs for a medium-sized troop and cargo carrier with excellent STOL capability.

The domestic industry is now starting licensed production of the F-15 fighter and P-3C patrol aircraft. While this work will provide both new technology and much needed business, the industry's future growth lies with the commercial rather than military market.

Despite the fact that Japan's Gross National Product (GNP) has grown to second place in the

free world, total aerospace sales in 1978 were only some ¥250bn (about \$1.2bn). This figure is a mere one-thirtieth of total U.S. aerospace sales in the same year, one-fourth of France's, one-third of Britain's, and about half West Germany's.

One of the reasons for such a low volume of production is that the Japanese aircraft industry is highly dependent on military demand, which itself is subject to fluctuations in government policy. Of last year's total business 86 per cent was local military orders. In comparison, Canada's dependence on military orders was only 53 per cent, Britain's, America's and France's some 60 per cent, and West Germany's and Italy's some 70 per cent.

## Low

Japan's exports of aerospace equipment are extremely low. Centring around MU-2 sales and sub-contract work from overseas, 1978 exports were only 0.4 per cent of total aerospace output. Even at the peak period of YS-11 sales, exports accounted for only 19 per cent of production. In the U.S., exports account for over 20 per cent of aerospace production, in West Germany about 30 per cent, Britain 40 per cent, France 50 per cent and Canada over 65 per cent.

Except for supersonic transport or wide-body technology, Japan's aerospace industry has the development capability for almost any product. The industry has become particularly adept at design work, and is almost on a par with the European and U.S. industries. Production technology, however, is behind that of other advanced nations, particularly in the areas of quality cost and the develop-

ment of special tooling. Nevertheless, Japanese companies have successfully bid on Boeing 747 and DC-10 sub-contracts on an international level against more experienced European and American groups, and their potential to become even more competitive in the future fully exists.

The most important goal for Japanese aerospace industry now is to increase its share of the more stable civil market. For this purpose there is strong Government support for joint international projects such as the current 767/777 airliner development programme with Boeing and Aeritalia.

The Government has supported about 50 per cent of the costs of major projects such as YS-11 and 767/777. Industry investment in aerospace R and D, however, has averaged only about 0.5 per cent of the nationwide industry total compared to 20 per cent for aerospace in other advanced nations.

Major R and D projects being conducted by the Government include the FJR fanjet engine, a fanjet STOL experimental aircraft, and a controlled configuration vehicle. Other projects under study include a flying-boat secondary air transport system, a fuel-conserving high-speed turboprop, ultra-light aircraft and revolutionary take-off and landing systems.

Emphasis is also being given to strengthening the nation's overseas marketing set-up to expand exports in the future. In addition to the popular MU-2 turboprop business aircraft of which over 800 have already been sold, the overseas export drive will centre around the Fuji/Rockwell (U.S.) 700/710, Mitsubishi's new business jet, the Kawasaki/MBB (West German) BK117 utility helicopter and the Nippi NP-100 motor glider. While a 1976 Government ruling allows export of the U.S.-1 rescue aircraft, the C-1 jet transport and various helicopters, low production levels of these aircraft make them expensive and difficult to sell.

Japan's strongest emphasis will be on additional participation in large international

development projects, particularly for civil transports. With air transport demand growing in Japan 10-15 per cent faster than the world growth rate, and the local marketing advantage of Japanese-built transports, participation in projects such as the 767/777 and planned follow-on programmes can do much to expand the local aerospace industry's civil market share and reduce the nation's huge aerospace trade deficit. Japan's largest domestic airline, All Nippon Airways, for example, has just ordered 40 Boeing 767s.

The Japanese aerospace industry has received numerous proposals to join international development projects. Rolls-Royce, for one, has offered to develop jointly a commercial version of Japan's experimental FJR fanjet engine. Most recently, both Fokker-VFW and Airbus Industrie have made proposals to develop several new transport aircraft, including a 100-150 passenger YS-11 replacement and new versions of the A-300. The Europeans have already said that they "need Japanese technology" and are inviting the Japanese aerospace industry to become a full partner in such undertakings.

Japan's strongest emphasis will be on additional participation in large international

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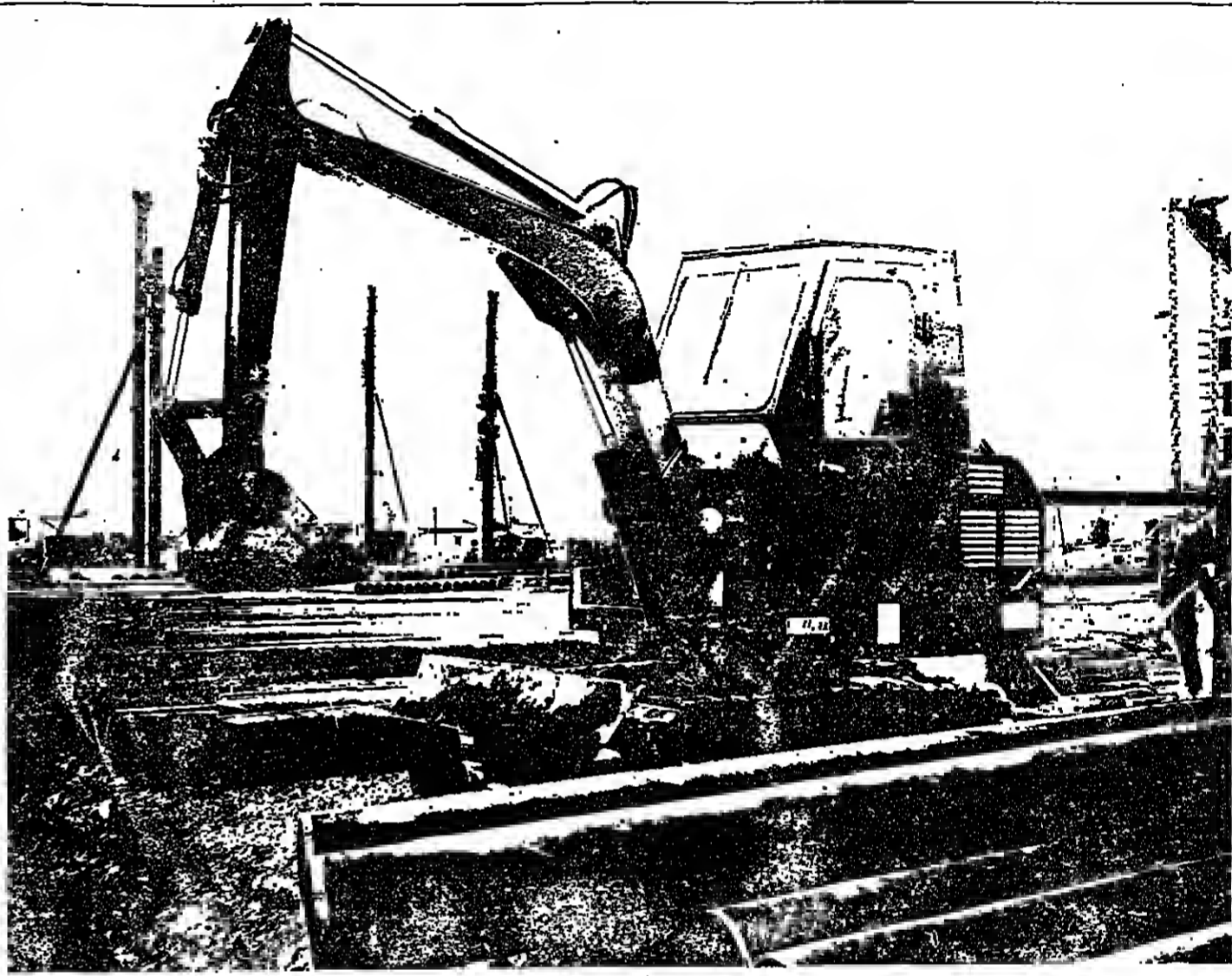
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# Big sales potential

## ROBOTS

CHARLES SMITH

AN INDUSTRIAL robot, on the Japanese definition, is any manipulative machine which can perform movements similar to those of the human hand and arm, regardless of the technique used for operating it. The machine can be directly operated by a human worker (in which case it is known as a "manual manipulator") or by a computer program, when it becomes a "sequential robot".

The higher and more intelligent categories of robots include those which can learn after being manually guided through the job, they have to perform ("teaching playback" robots), those which can act on the basis of numerically coded information (NC robots) and finally "intelligent" robots proper which can "feel", "see" or "hear" and adjust their actions accordingly. The final category includes parcel sorting machines which can respond to the human voice and are welding robots which can adjust their behaviour to the expansion or contraction of metal components on which they are working.

Development of all types of robots in Japan dates back to the mid-1960s, when the simpler types of manual manipulators came into use and research began on more advanced and intelligent robots. Robots have been installed in Japanese factories to do dirty or dangerous jobs such as welding or spray painting which the unions are usually happy to see taken over by machines. Robots are also used to perform tasks which require a precision that eludes human beings, or which humans can only acquire after long practice, or to do actions in which human workers are prone to error when they are tired.

About 35 per cent of all robots in use in Japan are working in the motor industry, with the next largest category (25 per cent) in the electrical industry. Little, if any, use of robots has been made so far in the nuclear industry or in ocean development—two of the first domestic service industries—despite the fact that the experts see promising application in all of these fields.

The total installed population of robots in Japan is estimated at around 40,000 sets, using the broad definition of a robots function's favoured by the Japan Industrial Robot Association, or about 4,400 sets on the narrower definition which includes only teaching playback, numerically controlled, and "intelligent" robots. The association quotes an estimated figure of 2,500 sets for the U.S. "population" of intelligent robots indicating that Japan is well ahead in the application, if not in the basic technological development of robots.

## Forecast

Robot Association officials quote a three-year-old forecast for the development of their industry, prepared by Nomura Research Institute, which indicates a dramatic take-off in the production and use of robots during the first half of the 1980s. According to the Nomura forecast, annual production of robots will rise in value from

around ¥25bn (\$110m) in 1978 to ¥250bn (about \$1.2bn) by 1985 as robots come into use for service and assembly operations as well for today's currently most popular applications of welding and spray painting.

Most of the private companies involved in robot development appear to be sceptical of Nomura's estimates. The figure of ¥250bn represents the "upper limit" of where the industry is likely to be in 1985 according to one major producer of playback robots. Actual progress depends on a large number of unknowns which include the reaction of the unions to the further introduction of robot technology and the extent to which companies will be prepared to re-plan or even rebuild factories in order to accommodate them.

The price range for playback and "intelligent" robots may not in itself appear prohibitive—ranging as it does from about ¥2m to ¥30m a unit.

The large number of companies involved in the industry, and the diversity of types, make it exceedingly hard to gain a clear picture of where development stands but a rough sketch of the current situation might read as follows. Japan, until very recently at least, was behind the U.S. in the development of playback robots and may still be behind in assembly robots (a type of machine believed to have the largest

market potential of all), in "intelligent" arc welding and spray painting robots equipped with sensing and visual devices it is, however, probably as advanced as any other nation. Its progress with voice recognition techniques might also take some matching in the West.

Japanese companies which are especially active in robot development include Hitachi (hitherto a specialist in "intelligent" arc welding and painting robots but now moving into the teaching-playback field); Kawasaki Heavy Industries (which got into the business through the acquisition of a basic licence from Unimation of the U.S., and now has the largest number of playback orders to its credit); and Mitsubishi Heavy Industries (which has developed its own playback robot with interchangeable modular limbs).

Fujitsu-Fanuc is prominent in the new and rapidly developing NC robot field, while Toyota Automatic Loom (parent of Toyota Motor Company) and Yaskawa Electric are involved in a Government-sponsored scheme to build an automated robot-operated unmanned factory that is due to be completed by 1985.

One of the ultimate rewards of the successful application of robots, as the Japanese see it, may be the introduction of automated "small hatch" production which would enable factories to turn out goods in varying quantities and types at the speed and cost with which conventional mass production lines operate today. Japan is probably many years away from turning this vision into a reality but it may reach its targets as soon as or sooner than any other industrial nation.

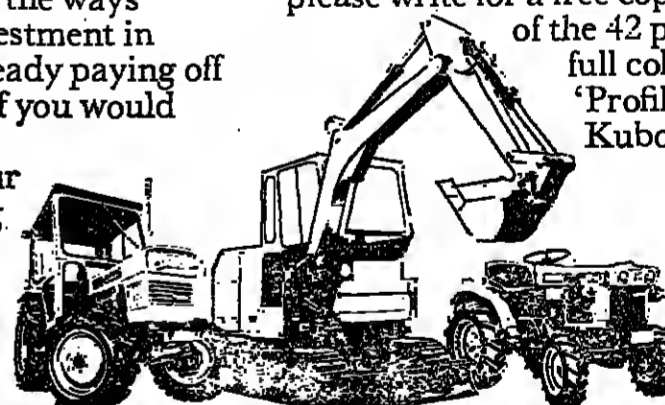
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JAPAN'S NEW INDUSTRIES IV

# Keen demand on all fronts

JAPAN'S MACHINE tool industry is having a good year as a result of home exports and growth of domestic demand for numerical control (NC) machines. The Japan Machine Tool Builders Association (JMTBA), which represents 68 members accounting for 77 per cent of total production, predicts that production in 1979 would top ¥450bn (\$3bn), while exports would soar to ¥200bn (\$1.5bn).

JMTBA figures showed production for the first six months of this year to ¥285bn (\$2.15bn) from the ¥18.3bn of the corresponding period of 1978.

Exports to Western Europe, especially West Germany and the UK, have also zoomed. In the six-month period, shipments of machine tools, mainly NC types, to Germany rose 72 per cent to ¥5.3bn (\$40.5m) from the ¥3bn (\$23m) in the first half of last year. Shipments to the UK rose by 32 per cent.

## MACHINE TOOLS

JOHN FUJII

The export gains in Western Europe have taken up the slack in shipments to neighbours South Korea, Japan's second largest market, but affected by the country's general economic instability.

JMTBA said that by areas, the January-June exports to North America (U.S. and Canada) were up 55 per cent, to Western Europe 31 per cent, and to the Communist countries 15 per cent.

The U.S. market took 32 per cent of Japanese machine tool exports, followed by Korea with 16 per cent, West Germany with 6 per cent, Taiwan 5.1 per cent, Poland 4.6 per cent, Rumania 3.9 per cent, the UK 3.4 per cent, the Soviet Union 3.3 per cent, Brazil 2.8 per cent and Australia 2.2 per cent. The rest of the world accounted for 20.5 per cent.

An executive at JMTBA gave

as the reason for the sudden spurt in exports the fact that the Japanese excel in the production of small NC equipment, especially lathes, and in smaller machining centres. Another reason for the strong demand for Japanese machine tools overseas is that the quality is good and delivery dependable. Delivery time is four to five months compared to up to two years for U.S. equipment.

The U.S. was the first country to start building NC machines, but the Japanese quickly caught up while the Europeans lagged behind. This has given the Japanese an opportunity to grow in the European and American markets. Smaller buyers in the U.S. and Europe are turning more to Japanese NC machines since workshops with 10 to 15 employees prefer Japanese equipment.

According to the JMTBA

worldwide exports of machine tools grew by 23.4 per cent in 1978 to ¥76bn, 51.8 per cent in 1977 to ¥115bn and 40.3 per cent in 1976 to ¥82bn.

An interesting feature of trade with Germany is that Japan's machine tool imports from that country balance its exports. In January-June this year exports to Germany were ¥8.3bn, exactly tallying with imports of German machines. Imports from Switzerland, another traditional source, were ¥2.3bn while exports to that country were not significant.

However, exports to the U.S. were ¥28.4bn in the six-month period while imports were only ¥2.8bn. The U.S. accounted for 38.5 per cent of imports, Switzerland 19 per cent and West Germany 15.3 per cent, 73.8 per cent altogether of total imports.

The JMTBA executive said that the comparatively large imports of machine tools from Europe should forestall any possible trade friction over Japan's growing exports. There is always the possibility of import restrictions, he pointed out, but he considered this unlikely.

With the U.S., however, the

check price system has been renewed for another year. The Japanese do not feel that the system is absolutely necessary but admit it is working to keep exports from increasing too rapidly.

The worldwide demand for NC equipment is also reflected in the home market.

The Japanese Ministry of International Trade and Industry (MITI) reports that production of metal cutting machines in 1978 reached ¥565.5bn (\$4.2bn), an all-time high. NC machines accounted for 29 per cent of total production — ¥167.6bn (\$1.25bn), an increase of 34 per cent over the year before.

Total new orders for NC machines in 1978 were ¥108.4bn, or 35.8 per cent of total new orders for machine tools. This was an increase of 32 per cent over the preceding year. By types of machine tools ordered, NC lathes were up 30 per cent,

NC milling machines 29 per cent and milling machines 27 per cent. Orders for NC grinding machines were down and there were no significant change in orders for lathes and boring machines.

Of the 1978 orders for machine tools, 29.5 per cent came from the general machinery and equipment sector and 20.6 per cent from the motor industry; 27.8 per cent went as exports.

The Japanese began commercial production of NC machine tools in 1965. Since then a total of 29,789 NC units have been turned out. Production of NC machine tools in 1978 alone totalled 7,242 units, an increase of 35 per cent, with a value of ¥107.6bn.

The proportion of NC machine tools in total production has risen steadily to 29.5 per cent. It is expected to reach 40 per cent eventually.

Further development of CNC (computerised numerical con-

	1975	1976	1977	1978	1979 (1st half)
U.S. ....	24.0	27.0	25.5	30.6	25.2
Korea .....	8.2	14.5	24.1	35.6	14.2
West Germany ...	2.4	7.9	4.7	7.5	5.3
UK .....	2.3	2.3	2.7	4.5	3.0

trol) units and DNC (direct numerical control) systems is taking place.

The Japanese have growing ties with Europe in the machine tool industry. Makino Milling Machine Co. has a 25.1 per cent interest in Heidenreich and Harbeck Werkzeugmaschinen GmbH of Hamburg, which is a subsidiary of Gildemeister AG. The German company makes NC milling machines under licence from the Japanese.

In financing, the Japanese are turning more and more to Europe. Makino has floated two convertible bond issues with Swiss banks, one in July 1978 for SwFr 25m and another in May this year, also for SwFr 25m. The rate in the most recent debenture was 3.75 per cent. Fujitsu Famic floated a DM 30m issue through German banks in August 1978. The rate was 3.5 per cent.

The reason given for using the European market is that the rate is cheaper. Now that interest rates are going up in Europe the vogue for overseas issues may fade. But since they are going up in Japan, too, it is possible that the favourable margin in Europe may be restored.

Results of major Japanese machine tool manufacturers reflect the strength of demand. Toshiba Machine Co. reported a net profit of ¥4.6m on sales of ¥320.6m; Toyota Machine Works ¥11.4m on ¥243.2m; Okuma Machinery Works ¥7.5m on ¥116.5m. Hitachi Seiki Co. reported profits of ¥205,000 on sales of ¥92.7m and Makino Milling Machine ¥5.9m on ¥85.2m.

## A market rich with opportunities

### OFFICE MACHINERY

CHARLES SMITH

OFFICE MACHINERY is a new field of activity for Japanese industry, since the Japanese office itself has only recently begun to undergo modernisation. From the end of World War II until the early seventies Japan concentrated on the modernisation and automation of its industrial production facilities with results that have become only too apparent to its competitors throughout the world. The past five years (since the 1973 oil crisis) have marked the opening of a new era—that of office automation.

Of three markets involved the largest (in domestic Japanese terms) is that for office copiers. Roughly ¥240bn worth of copiers was installed in Japan in 1978 and the market is growing by between 15 and 20 per cent a year. This represents an opportunity which no Japanese company with a stake in the relevant technologies can afford to ignore.

Three "indigenous" Japanese companies—Ricoh, Copyer and Mita—made electrostatic copiers in the 1960s, when plain paper copiers were monopolised by Xerox through its patent on the halftone technology. Today there are 12 indigenous companies in the industry as well as Fuji Xerox, the Japanese affiliate of Xerox Corporation. The line-up includes specialists in optics such as Ricoh, Canon, Minolta and Konishiroku, and electronics specialists such as Sharp, Matsushita and Yoshida.

#### Expiry

The importance of the copier industry to some of the companies concerned can be appreciated from the case of Canon, which was the first Japanese company to market a plain paper copier after the expiry of the Xerox patent and now claims a 16 per cent share of Japan's copier "population". Copiers accounted for less than a sixth of Canon's sales in 1974 when the copier boom was about to begin but for around 25 per cent in 1978 (30 per cent on a consolidated basis).

Japanese copier manufacturers, led by Ricoh, have concentrated on medium to low-speed machines, leaving the high speed section of the market to Xerox. One result of this is that Xerox still accounts for the largest share of the market when defined in terms of "copy volume" rather than machine population. Another consequence is that Japanese copier manufacturers have attained what appears to be an overwhelming competitive edge in middle and lower speed plain paper copiers in other world markets.

In 1978 Ricoh sold more ppc

copiers in the U.S. than Xerox, though its sales value was most certainly lower. Canon has been exporting over 50 per cent of its output by value for the past three years.

The leading Japanese copier manufacturers have begun to consolidate their overseas positions through local assembly (in the case of Ricoh's U.S. operations) or even through integrated local manufacture. Canon's West German joint venture now makes 1,500 units a month of medium-speed copiers using 90 per cent locally procured components. Overall, the industry's exports have increased two-and-a-half times in quantity and five times in value during the past five years, acquiring the dubious privilege in 1978, of being subjected to "monitoring" by the Ministry of International Trade and Industry.

Japanese copier manufacturers have relied on an indirect distribution system and outright sales of their machines to build the mass market that seems to have eluded the Xerox approach of hiring through a direct distribution system. Their weaknesses vis-a-vis Xerox are inability to offer a "package" of machines covering the full range of speeds and sizes plus the fact that the Japanese home market for the fastest copiers (120 copies per minute and upwards) is still very small. Some copier makers such as Canon are now moving purposefully into the upper range of machines precisely in order to be able to rival Xerox with the offer of a "package". The race to produce faster and bigger machines may, therefore, have only just begun.

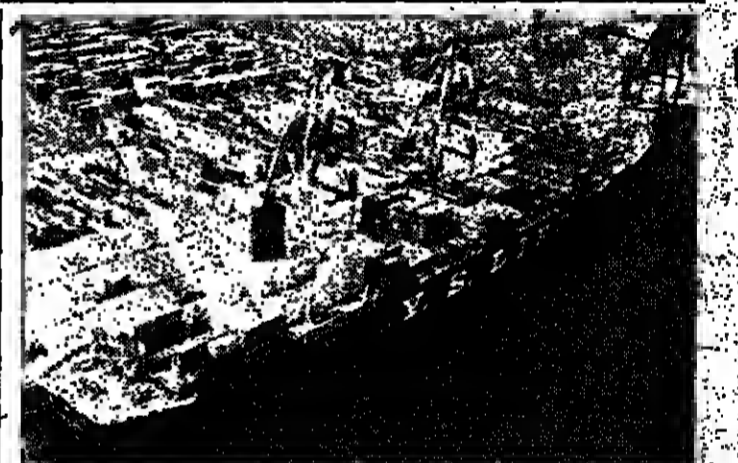
Office computers (defined as machines costing ¥20m each or less) are a ¥120bn (\$933m) market in Japan with a growth rate estimated at around 15 per cent per year. Whereas with copiers the future seems to lie in the development of bigger and faster machines, the office computer makers have their eye on the bottom end of their market.

Two years ago Japanese manufacturers succeeded in developing a machine simple and cheap enough to be used for accounting and stock checking by retail stores with a monthly turnover of as little as ¥10m. Still smaller machines should be out soon, setting trends which will make it increasingly hard to draw a dividing line between

or under) is growing even faster at an estimated 25 per cent per year. Well over 50 companies, including all the top electronics manufacturers, are now active in this market, although not all are selling under their names. As seems to be common in many rapidly developing branches of the electronics industry "OEM" manufacturing and sales tie-ups, in which one company makes machines for another to sell under its brand name, are common.

Small business computers in Japan come in two basic types, unlike the computers produced in Europe and the U.S. which are of one type only. The dis-

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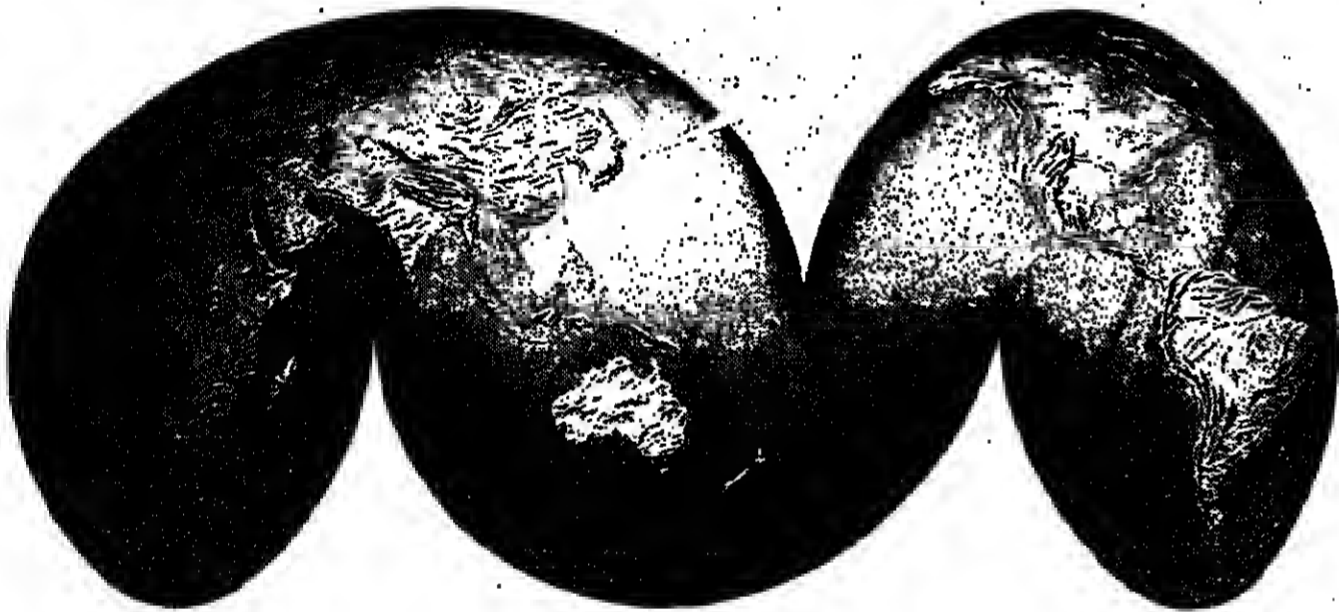
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هنا من النسخ

# High hopes for the future

## COMPUTERS RICHARD HANSON

COMPUTERS REPRESENT perhaps the most crucial of all the new industries Japan is fostering in its bid to maintain the status of economic superpower in the next century. The two obvious reasons are the quantum leaps in the use of computers seen throughout the economy over the past 10 years, and, secondly, the vast (and so far barely tapped) potential that data processing offers as a major new source of export earnings.

It is unlikely, however, that Japan will suddenly be able to repeat with the computer industry the remarkable degree of success internationally which the world has come to expect whenever the country commits itself seriously to a task. This is not so much a reflection of any fatal flaws in the ambitious companies involved in the industry (or the lack of government resolve), but rather a simple appreciation of the enormous complexity of the industry itself. Cars and colour televisions are easier to market.

Japan is challenging a world which is still dominated by the American giant, IBM, which already has a number of eager U.S. companies trying to chip

away at its market share.

The biggest of the Japanese computer makers (and the only one for which computers represent the lion's share of sales), Fujitsu, has so far been able to gain only a slight share of the world market. Increasing that share through exports is a major goal. But the Japanese for the moment lack the huge financial resources needed to build a comprehensive international marketing system. A variety of efforts are being made but large computer systems are not as readily exportable as products produced by the last generation of industries like cars, colour televisions, ships and steel.

Japan is the only major country other than the UK where IBM holds less than a 50 per cent share of the local market. Japan offers the second largest market for computers after the

U.S. The gap in the number of installed computers between the two countries is large (the U.S. has about 45 per cent of the computers in the world compared with 10 per cent in Japan), but the actual density of usage, using the Gross Domestic Product as a measure, is much greater than in America.

Production of computers in Japan (including production by foreigners like IBM) has more than doubled in the past five years. Exports have been increasing steadily, but the proportion of exports to production in 1978, for example, was a slight 1.4 per cent of the value.

The first computers in Japan were produced in the late 1950s, about 10 years after the U.S. had built its first. The Japanese Government became involved in 1955, when the Ministry of International Trade and Industry (MITI) formed a research

committee which concluded that research and development should be encouraged, foreign technology introduced and computer imports restricted. The need to protect the domestic industry and catch up technologically with the U.S. has produced a greater degree of MITI involvement in computers than in any other industry in Japan.

MITI, as ubiquitous as it may appear, has a rather erratic record in shaping the private industry into the exact image desired. MITI, in fact, dropped its original goal of creating a Japanese IBM out of the fiercely competitive companies involved in computer making, and has shifted its emphasis to aiding the development of very large scale integrated circuits and software for the next generation of advanced computers.

There are six companies in Japan which have been involved in making big computers: Fujitsu (18 per cent of the domestic market), Hitachi (14 per cent), Nippon Electric (NEC) (11 per cent), Toshiba (4.5 per cent), Oki PR (4 per cent) and Mitsubishi Electric (2.5 per cent). The Japanese companies hold about 56.5 per cent of the domestic market,

while IBM, with its 100 per cent owned Japanese subsidiary, CAP, claims about 29 per cent.

MITI initially in the 1960s gave small subsidies to each of the computer makers. From 1970 MITI decided to divide the industry into three groups: Hitachi-Fujitsu, NEC-Toshiba and Hitachi-Oki, with the Government providing subsidies to match the cost of developing machines competitive with IBM, as well as peripheral equipment. From 1972 these subsidies amounted to \$195.9m.

According to the companies involved, the co-operative relations between companies being sought by MITI quickly proved to be more fiction than fact. Fujitsu and Hitachi, for example, both felt compelled to develop separately their own full series of IBM competitive main frame computers rather than co-operate and divide the series between themselves. It could be argued that the competition was more effective in fostering rapid advances in technology than the MITI efforts at consolidating resources.

The next step was for MITI, from 1976 on, to provide subsidies to develop VLSIs, this time reorganising the makers in

two groups (Fujitsu-Hitachi-Mitsubishi and NEC-Toshiba). The Government handouts were for four years and amounted to about \$117.6m. Here the joint development appears to be somewhat more substantial, with the companies sharing research facilities.

## Software

This year subsidies to help the makers develop software (considered to be Japan's weakest point) began and are expected to last five years for a total of \$111m. Because software development is closely related to the needs of each company's customers, the actual amount of joint development will probably be minimal.

The Government's ambition to pare down the industry has been partially achieved. For all practical purposes Oki (the smallest of the six) has dropped out of the big computer business, as has Toshiba, which has shifted its business to its partner, NEC. The cost of staying in big computers was apparently too high.

Japan, however, is still left with what is considered to be too many makers competing

mostly in a domestic market that is showing some signs of saturation.

The big computer companies are cautiously trying to expand overseas, but there have been recent setbacks.

In the U.S. and Europe Fujitsu sells large and medium-size computers through a joint venture with Amdahl, as a result of which it has succeeded in developing a very high speed computer. Fujitsu does not appear to be very satisfied with recent trends in the U.S. and is studying a joint venture sales relationship with TRW to sell smaller computers and other products. Fujitsu has a tie-up to sell computers with Siemens in West Germany and links to a Canadian group. At present the sales do not use the Fujitsu brand name (FACOM) but the company hopes to sell its own name in the future.

Hitachi has an agreement with the financially troubled ITEL in the U.S., but sales, which began only last year, have ground to a halt during the latter half of this year. The ITEL arrangement extends to all North and South America, Western Europe and Australia for the sale of large computers.

NEC and Honeywell Information Systems have a marketing arrangement to sell NEC's office computers. Mitsubishi has its own marketing arm in the U.S. to sell business computers.

The Japanese have won several orders from China (some in competition with

IBM) but this market is somewhat stifled by cumbersome requirements for approval of the Paris-based COCOM, which monitors sensitive sales to Communist countries.

What success overseas the Japanese-makers have had in selling their hardware, which is compatible with IBM's software systems (while domestically, most sell non-IBM compatible machines). Most of their export sales have been of the smaller office computers and machines which use computer technology such as cash registers.

The Japanese, through the subsidised development programmes, may succeed in creating technology in hardware that could surpass IBM and thus give them a readily exportable product but advantages in technology disappear quickly. IBM has found this out as the Japanese have narrowed sharply the time needed to catch up with its newest computer lines.

Japan does have certain strong areas, such as in building large computer systems which link hundreds of terminals in on-line systems. Japan's nationwide banking systems, for example, have encouraged this kind of development.

The introduction on a broad scale of their products overseas, however, will probably require in effect a huge effort to recruit employees in the various markets like the U.S. Without that kind of effort it will be difficult to meet the rapidly changing demands of overseas customers.

## Opportunities

CONTINUED FROM PREVIOUS PAGE

inction in Japan is between "Japanese-style" SBCs which are equipped with 2,000 or more keys on a series of interchangeable "pages" and "Western style" computers with a typewriter keyboard. "Japanese-style" computers are designed for operation without the use of numerical codes and require no basic training or programming on the part of their users. The second category, of typewriter-keyed machines, does require the use of numerical codes.

Export prospects for the first type of "Japanese" SBC appear limited. In the other

"Western style" category of machine the stage would seem to be set for all-out competition in world markets. A sizeable share of the Japanese domestic market for typewriter-keyed machines (30-40 per cent according to one estimate) is still occupied by U.S. manufacturers who were in the field before the Japanese. On the other hand Matsushita, which entered this branch of the electronics industry only a year ago, is already exporting one-third of its output to a range of markets which includes the U.S., UK, West Germany and Australia.

The huge number of retail

stores in Japan and the complexity of the country's multi-layered wholesale distribution systems constitutes a potential market for office computers which should stand the industry in good stead as it seeks to produce a low priced "mass-produced."

Telephone facsimile equipment, the third area of the office machinery market in which production and sales are booming, is the newest and smallest but not necessarily the least promising. Telephone facsimile equipment came into use in Japan about five years ago, ten years after it was

first introduced in the U.S. In this relatively short time the facsimile "population" has risen to between 120,000 and 130,000 units, roughly half that of the U.S. and about six times as high as in Europe.

Facsimile equipment is of particular value in the context of the Japanese writing system which uses Chinese characters and thus cannot be transmitted by Telex. Partly but not only because of this, Japanese companies have been to the fore in developing high-speed fax machines suitable for international use.

Ricoh, the pioneer in the high-speed field (defined as machines which take less than one minute to process a single side of paper), began to survey the market in the late 1970s and began sales in Europe and the U.S. in 1973. Sales in Japan came later because the Japanese postal authorities took longer to grant 1790 approval.)

## Challenge

Ricoh currently dominates the U.S., European and Japanese markets for high-speed fax but is likely to face a strong challenge in future from major electronics companies such as Matsushita, Toshiba and NEC. A key development in the battle for the high-speed fax market will be the approval (expected later this month) of standard specifications for high-speed equipment without which one manufacturer's machine cannot "talk" to that of another manufacturer.

Ricoh achieved the technological breakthrough required for high speed fax transmission by marrying its own optical know-how to the electronic expertise of a small American company, Dacom, which it took the trouble to acquire before starting its development programme. Matsushita, which dominates the middle and low speed fax markets in Japan also entered the industry after taking over a specialist.

Matsushita now claims a 15 per cent share of the U.S. market for low-speed fax equipment, where Xerox is dominant with an estimated 60 per cent. In Europe Rank Xerox is top in lower speed machines but is being strongly challenged by Japanese makers in the medium range (less than three minutes processing time) sector of the market.

Production of fax equipment is expected to be worth some ¥55bn this year but the industry forecasts that output will exceed ¥100bn in 1982. As with copiers and small computers the market would seem to be approaching the take-off point where high sales and falling prices interact to produce potentially explosive growth.



## One of a Kind

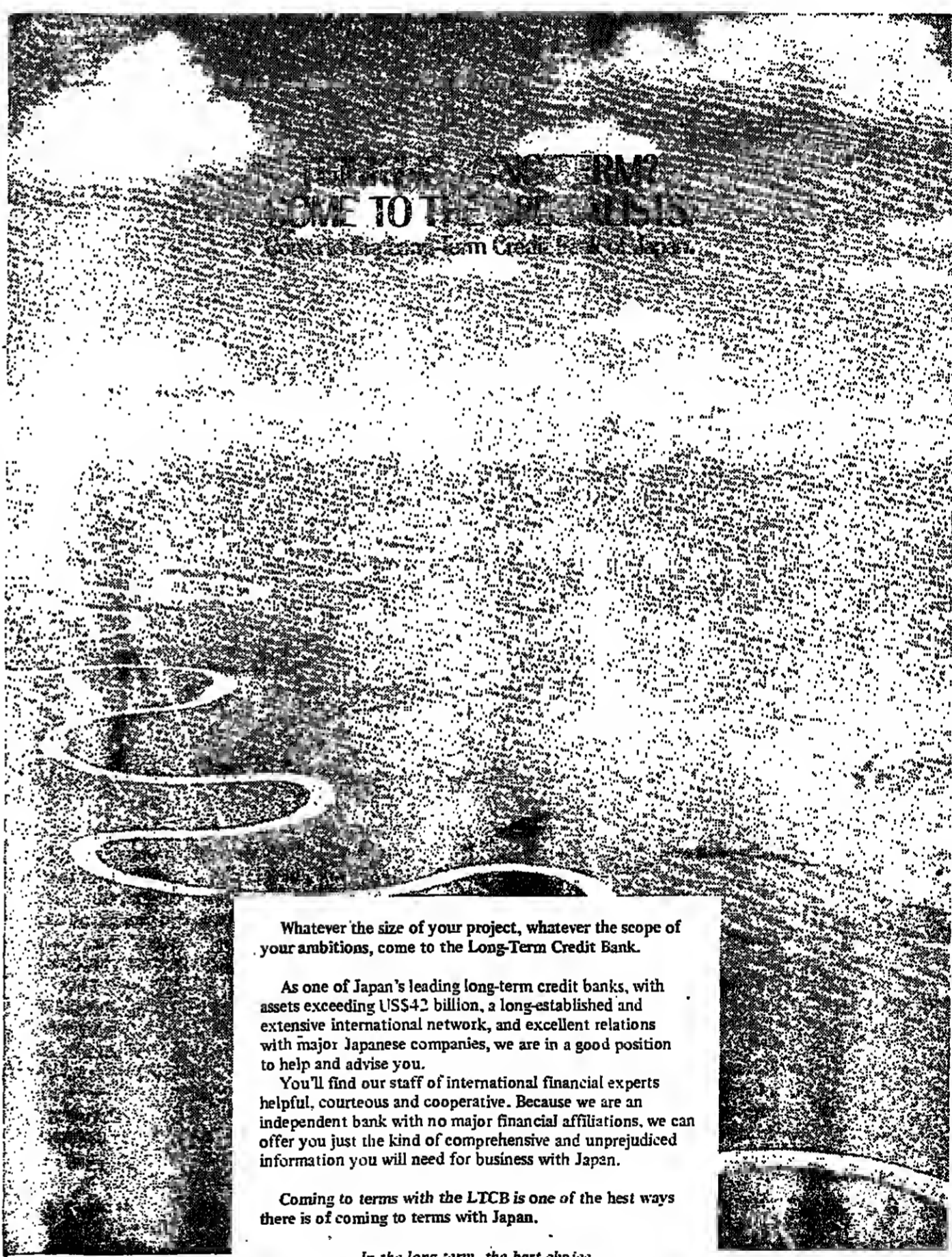
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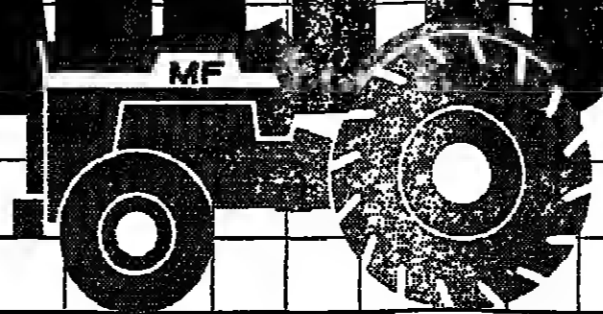
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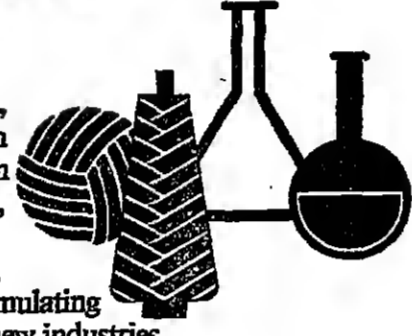
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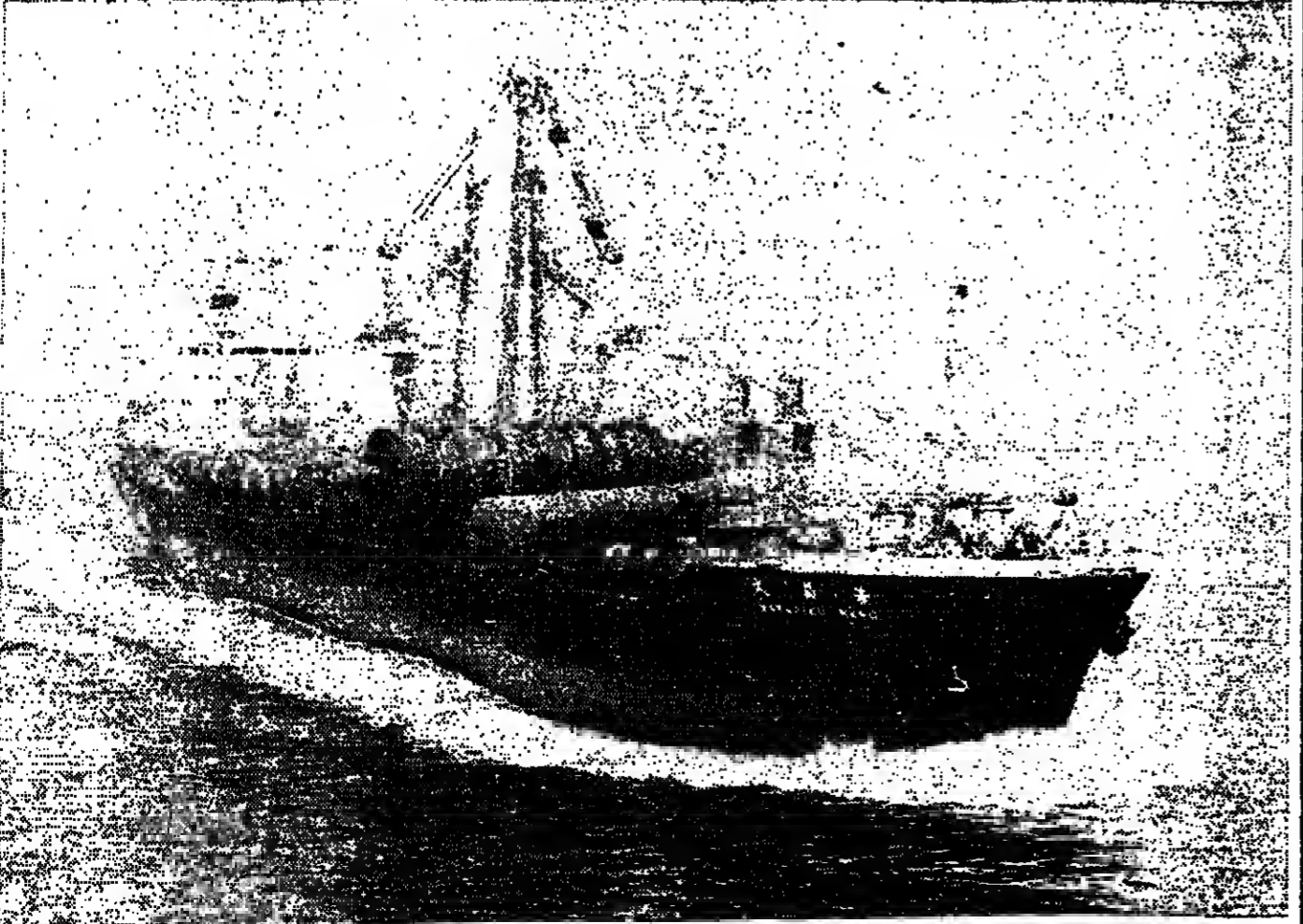
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## JAPAN'S NEW INDUSTRIES VI

# In-car electronics

### MOTOR INDUSTRY

RICHARD HANSON

THE CAR of the future will use electronic sensors to tell the driver what is happening under the bonnet, micro-processors to tell the engine what to do, integrated circuits to control the air conditioner, defrost the rear window and pre-programme your favourite radio shows, and as long as production keeps up with demand, you may be able to order one at the local Datsun dealership now. If that sounds suspiciously like an advertising hurrh, the fact is that it most likely will be a common one before very long. The Japanese motor industry is plunging full speed into the age of car electronics (and appears to have taken a straggling lead over U.S. and European makers). In the process of adapting electronic technology into their machines, the Japanese are also creating new business for electronics companies which in 10 years could amount to the equivalent (in sales) of creating a giant new Matsushita Electric Industrial Company. Car electronics go far beyond what is presently in standard use around the world, leaving the realm of simple light switches and turn signals which now make up the bulk of electrical systems in the family car. What is involved basically is the same technology which revolutionised every industry from data processing to aerospace over the past two decades. The use of electronics in cars dates back to the early 1960s, but until now has been mostly restricted to the most expensive models and for the most part has involved sales of optional equipment. As early as 1962, Toyota Motor, Japan's

largest motor company, applied semi-conductor electronics to overdrive transmissions. By the latter half of the decade transistor based ignition systems, electronic anti-skid devices, electronic automatic transmissions were being developed both in Japan and the U.S. According to the Japanese makers, the need for these types of precise electronic controls are much greater in the products they manufacture than in the U.S. Engines are built to much finer specifications than the American average, which in part explain why they have been introduced more widely in Japan already. European motor companies are believed to be lagging behind both the American and the Japanese. In July this year, Nissan Motor, the maker of Datsun cars, unveiled in one of its most expensive models what it claims to be the most electronics-intensive car in the world. The new Cedric/Gloria series has 21 separate functions controlled by their electronic concentrated engine control system and a "drive computer" which is operated by what looks like an oversized electronic pocket calculator. Nissan pioneered the "drive computer" in its Silvia/Gazelle series of somewhat smaller cars introduced last March. Toyota

itself has successfully developed with Ford Motor Company of the U.S. an engine control device which it has been exporting to Ford since 1977. Demand from Ford has increased substantially this year. The device will be installed on less than 10 per cent of Ford's cars. Nissan has an agreement with Hitachi, Limited (which is in its business groupings), and is working with its own electric parts supplier, Kanto Seiki, which has had license agreements with Smith Industries. Nissan offered last spring to equip British Leyland with its electronic engine devices. The offer was made in talks which were conducted before BL and Honda Motor finally decided to jointly develop a new car. BL declined the offer, and counter proposed that Nissan undertake a re-engineering of some of its older models. Nissan turned down the proposal because of the costs which would have been involved. It appears that the car electronics competition will hot up considerably from next year on. Among the smaller motor companies, Mitsubishi Motor is co-operating with Mitsubishi Electric. It expects to introduce a new model next year which will be equipped with an electronic fuel injection system. Honda Motor is also working on a fuel injection system. Toyota Kogyo, the maker of Mazda cars already has a number of electronic devices in its cars, and is planning to introduce fuel control and electronic carburettors and other devices. It has been depending on Mitsubishi Electric, Hitachi, Nippon Electric (NEC) and Matsushita Electric Industrial Company.

### Unveiled

In July this year, Nissan Motor, the maker of Datsun cars, unveiled in one of its most expensive models what it claims to be the most electronics-intensive car in the world. The new Cedric/Gloria series has 21 separate functions controlled by their electronic concentrated engine control system and a "drive computer" which is operated by what looks like an oversized electronic pocket calculator. Nissan pioneered the "drive computer" in its Silvia/Gazelle series of somewhat smaller cars introduced last March. Toyota

# Serving the farmers

### TRACTORS

CHARLES SMITH

"WE ARE where the motor manufacturers were 15 years ago, as far as exports are concerned," says the international manager of one of Japan's big tractor manufacturers. "In the next 15 years you can expect to see more of us, but we are not going to start a war with Western manufacturers. Co-existence is our motto." Just how long co-existence will in fact be maintained may depend on the competitive situation inside the Japanese industry itself. One medium sized manufacturer, Ishikawajima-Shibaura (a wholly-owned subsidiary of Ishikawajima Heavy Industries), this year announced a 105 hp tractor, Iselki has a range extending up to 90 hp. The fact of the matter is that Japan has too many tractor makers competing for too small a market with the inevitable result that rival producers are leapingfrogging over each other to make bigger machines. The Japanese tractor industry, for all practical purposes, dates from 1957 when the first four-wheeled machine was built by Ishikawajima Shibaura (before that, two-wheeled tractors only were produced). Its output in 1968 amounted to a modest 16,000 units, but after that the industry grew by leaps and bounds, producing 42,000 tractors in 1970, 99,000 in 1973 and 286,000 in 1976 (the peak year to date). The introduction of four-wheeled tractors into Japan's predominantly rice-producing domestic agriculture brought about a huge rise in productivity during the 1950s and '60s and was one (though by no means the only) cause of the

increase in rice harvests which has given Japan a series of large annual surpluses during the past decade. Difficulties of storing and financing excess rice stocks led the Japanese Government, from 1969 onwards, to introduce a programme of acreage reductions for rice which is still under way. Rice farmers have continued to buy tractors despite the acreage cutbacks, but demand for new machines has undoubtedly been affected (particularly in years when new or unexpectedly large acreage reductions have been announced). The result has been to direct the tractor industry's attentions towards exports as the only means of maintaining growth. Kubota, the pioneer exporter and the industry's top manufacturer, claims to have realised as long ago as 1970 that it would have to start boosting its exports — and that the way to do so was to focus on the lower end of the market which Western manufacturers were neglecting. Kubota's highly automated Tsukuba plant (opened in 1975) was specifically designed to supply the U.S. market. Kubota's American sales success has produced a rush of other Japanese manufacturers into the U.S. market in the past two years — mostly by means of marketing tie-ups with American manufacturers. Com-

panies which are now contending for a share of the U.S. market include Yanmar (selling through John Deere), Toyosha (in association with Allis Chalmers and Massey Ferguson), and Ishikawajima-Shibaura (Ford). The "proliferation" of marketing tie-ups between Japanese and U.S. tractor manufacturers has been reflected in the growth and destination of tractor exports. In 1976 21,500 four-wheeled tractors were shipped abroad by the industry. In 1978 exports reached 77,000 units (about 50 per cent of total production) and this year's shipments may exceed 90,000 units. More than 80 per cent of 1978 exports went to North America, with Western Europe taking less than 10 per cent. Tractor manufacturers say, however, that exports to Europe could grow rapidly — perhaps faster than sales to North America — during the next couple of years. Having achieved what amounts to a dominant position in the middle end of the world tractor market the Japanese tractor industry would be acting "out of national character" if it were not now looking for new worlds to conquer. The potentially vast market in developing countries for

medium-to-large sized tractors is one obvious area of interest, but progress in this area is expected to be slow and will depend on the availability of large amounts of export credit (and on the establishment of training facilities). Another area in which the Japanese industry seems likely to advance rapidly is in the design and production of small tractors with more and more powerful engines. Japanese manufacturers have been building four-wheel drive tractors with as little as nine horse power for some years, in contrast with Western manufacturers whose four-wheel drive models start at much higher horse power level. They are now starting to make tractors that can develop anything up to 42 horse power with less than 1,500 cc engine capacity. The production of high-powered, small engine capacity, tractors has a special point in Japan in that farmers driving models with engine capacities of less than 1,500 cc are exempt from licensing requirements that cost money and time to fulfill. It is also relevant to the overall Japanese need to achieve increases in power and performance independently of increases in size. Another direction in which Japanese tractor makers may move in future is that of small-scale automation. Numerically controlled rice combine harvesters that can operate without drivers are already a reality, although not yet in commercial production. So also are multi-purpose machines that can perform the functions of at least four existing units (e.g. rice planting, and harvesting, soil cultivation and pest control).

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JAPAN'S NEW INDUSTRIES VII

A major force emerges

Large market is growing rapidly

PARTLY as a result of its own horrifying experience as the only country to suffer nuclear attack, Japan is still firmly tied to a policy of not acquiring nuclear weapons. This nuclear "allergy" however, has not hindered the belated development of what will probably be one of the strongest nuclear power industries in the world.

NUCLEAR POWER

RICHARD HANSON

If serious disruption of nuclear industries in the U.S. and elsewhere continue, which seems likely following the accident at the American Three-Mile Island nuclear power plant, Japan's role could develop rapidly. Japan has already built its own standardised light water reactor power plants (which could be exported today if the knotty problems of nuclear fuel cycles and nuclear non-proliferation were resolved), and while the present generation of nuclear technology has its roots in licensing agreements with the U.S., the country is well on its way to creating on its own the advanced thermal and fuel-efficient fast breeder reactors which will provide energy for the world into the next century.

Japan now spends a much higher proportion of energy development funds on nuclear power than other major industrial countries. But a comparison of the actual amounts spent over the past 20 years shows Japan starting at a very low base with sharp increases over the past decade, while other countries invested heavily early on and are now falling behind Japan. The Government is now firmly committed to funding the nuclear programme to the tune of trillions of yen over the next 10 years.

the mainstay of the nuclear power system have proved painfully prone to problems under Japanese rules.

The notion that Japan has to develop its own nuclear technology in order to insure the safety of plants runs deeply in the Science and Technology Agency (STA). For example, STA and the Atomic Energy Commission (AEC) wariness over continued dependence on foreign technology is at the root of its strong opposition to introduction of Canada's Candu heavy water nuclear power plant, plans for which have been shelved indefinitely. The STA argues that all efforts should be concentrated on Japan's own next generation reactors (which of course it is responsible for developing).

In the second, dry sites on which to build power plants and in overcoming local opposition from surrounding towns and fishing villages, elaborate procedures have to be followed in smoothing the ruffled feathers of those who do not want a nuclear facility nearby. These can extend the amount of time required from initial site selection by a power company to actual operation to as long as 11 years (actual construction takes three to four years).

Outbreak

A bit of hindsight reveals the fact that Japanese planners in the late 1950s and early 1960s made the serious mistake of basing the country's rapid economic growth on the availability of cheap crude oil in what seemed like unlimited quantities, as a result, even six years after the first oil crisis, more than 70 per cent of its energy is in the form of imported oil—which of course is no longer cheap nor readily available. A meaningful commitment to nuclear power was not made by the Government until the latter half of the 1960s.

This outbreak of nuclear allergy proved so serious in the 1970s that an original projection of bringing on line 60m kW by 1985 was cut back to 33m kW. At the present rate of approvals for new plants the best Japan can hope for by 1985 is something less than 30m kW. Japan had hoped to lift the percentage of electricity generated from nuclear power from a mere 1.7 per cent in 1975 to 7.4 per cent by 1985 and over the 10 per cent mark in the 1990s. Achievement of those goals will be delayed.

Private industry appears to be in agreement, again understandably so because the small group of large companies capable of fabricating nuclear plants stand to benefit most from the commercial spin-off in what is already a multi-billion-dollar business in Japan employing over 30,000 people. There are nearly 200 companies involved in the nuclear power business, centring on the giant heavy electric machinery makers, Toshiba Corp, Hitachi, Mitsubishi Heavy Industries (MHI), Fuji Heavy Industries and Sumitomo Heavy. Toshiba and Hitachi form a group of sorts (while competing body) because of their original agreements with General Electric on producing boiling water reactor. MHI licensed Westinghouse's pressurised boiling water reactors (the kind which failed to operate properly at Three-Mile Island).

As in other countries, opposition to nuclear plants has been heightened by reports of breakdowns and the threat of radioactivity leaking into the environment. In the mid-1970s Japan's operating power plants were plagued by shutdowns which reduced their electricity output to less than half capacity at times. Reflecting the sensitivity to nuclear affairs, the Government has drawn up what it claims are the strictest safety standards in the world for nuclear power. As mentioned above the General Electric and Westinghouse licensed light water reactors which are still

ment sagged after 1974 (which was the peak year) because of previously mentioned delays, but the recovery has been substantial since last year and are running at about \$2bn annually. Gross expenditures to the private sector related to nuclear passed the \$4bn mark in 1977.

Exports of nuclear power equipment and components have increased substantially, but still account for only a fraction of the total industry-wide sales. Last year exports of items like power plant core pressure vessels, turbine generators and other parts amounted to about \$100m.

Crucial

The industry could benefit quickly from expanded exports. As a whole it is running at about 50-60 per cent of capacity (60-70 per cent operating rates are needed to turn a profit). The private sector and the Ministry of International Trade and Industry have formed a committee to promote nuclear exports, and government help will be crucial in clearing the major roadblocks to large-scale exports. These centre on Japan's inability to guarantee nuclear fuel to potential customers (again related to the problem of non-proliferation), and the high political risk involved in nuclear trade.

The Japanese makers have been encouraged, however, by the success of West Germany, for example, which lacks fuel but with government help arranged a major deal with Brazil.

There is no question that Japanese products can find markets. Nihon Seiko, a medium-size steel company in Hokkaido, already holds about 30 per cent of the world market

for pressure vessels. Businessmen in Japan believe, however, that the high standards being applied in production are for the moment making Japanese components more expensive than competitors in Europe and the U.S., but the companies are betting that assurances of quality will pay off when production volume can be increased, thus lowering costs.

Looking towards the year 2000, when Japan hopes to have its fast breeder reactor (FBR) plants commercially available, it is difficult to tell whether the costs involved in construction (about twice those for a light water reactor) will limit the marketability. Japanese businessmen contend that by the time they are available, savings of fuel and the greater efficiency of the plants will make them cost-competitive. (An FBR uses plutonium which is created by Light Water fission, and actually produces more plutonium than it uses).

Meanwhile, the possibility of Japanese companies developing closer ties with foreign companies to build power plants is emerging. Toshiba is considering such a tie with a European concern, Toshiba and Hitachi two years ago formed a joint advanced engineering team with GE, Aseaatom of Sweden and AMN in Italy to develop technology on Light Water Reactors.

For all the problems of gaining approval for building nuclear plants in Japan, particularly in terms of local opposition, and the natural cautiousness that Japan has about nuclear power, Japan is proving to be a remarkably fertile place for the nuclear industry to develop.

JAPAN'S POPULATION is ageing more rapidly than that of any other developed nation and the propensity of its citizens to visit doctors is rising fast. These two facts go some way to explain why the market for electronic medical diagnostic equipment in Japan is one of the largest and most rapidly growing in the world. Annual sales of "diagnostic imaging equipment" are estimated to have been worth around ¥115bn (\$510m) last year, or about a fifth of the world total.

The market, like others explored in this survey, is a battleground where a large number of major and minor companies are fighting to establish themselves. Imports of medical electronic equipment into Japan exceed exports, but the situation is very fluid. Because of the pressure of competition within the industry external pressure by Japanese manufacturers on world markets for medical electronics seems certain to increase.

The "Big Three" Japanese manufacturers of medical electronics are Toshiba Medical Corporation (a member of the Toshiba group), Hitachi Medical GE in the development of cassetteless X-ray film technology.

Japan's medical electronics industry, like that of the U.S., was caught on the hop in the early 1970s when EMI introduced its now famous "brain scanner," a machine which uses conventional X-ray photography to take several million pictures which can be fed into a computer programme to produce a three dimensional picture of the brain. EMI began selling brain scanners in Japan in 1975 through Toshiba, with which it has a long standing partnership in the music sector of its business. Direct sales led to assembly and then to manufacture under licence by Toshiba under a five-year agreement which was renewed early this year.

MEDICAL ELECTRONICS

CHARLES SMITH

sound equipment and nuclear medicine.

The Japanese Big Three make no claim to be world leaders in the basic X-ray equipment for heart or chest examination in which European companies such as Siemens and Philips play the leading role. The high incidence of stomach cancer in Japan, however, has turned companies such as Toshiba and Shimadzu into specialists in this particular area of the industry. Japanese non-beat X-ray equipment typically includes refinements such as remote control and the use of cassetteless film (which allows anything up to 100 pictures to be taken by an operator at one sitting).

Picture

Japan claims the lead over western companies (including U.S. electronic makers such as GE) in the development of cassetteless X-ray film technology.

Japan's medical electronics industry, like that of the U.S., was caught on the hop in the early 1970s when EMI introduced its now famous "brain scanner," a machine which uses conventional X-ray photography to take several million pictures which can be fed into a computer programme to produce a three dimensional picture of the brain. EMI began selling brain scanners in Japan in 1975 through Toshiba, with which it has a long standing partnership in the music sector of its business. Direct sales led to assembly and then to manufacture under licence by Toshiba under a five-year agreement which was renewed early this year.

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Toshiba now has a dominant share of the Japanese home market for both brain and body scanners (the body version being a more versatile and costly version of the original brain machine). But Hitachi, which produced its own version of the brain scanner in 1975, is a strong contender and Shimadzu has also entered the field. A final important source of competition for Toshiba/EMI in the Japanese market is GE, which accounts for an estimated 24 per cent of the body scanner section of the market. GE's sales efforts in Japan have been assisted by Japan's emergency import programme which late last year set aside some ¥2bn for medical electronic equipment imports.

Japan's runner-up position in body scanners contrasts with what appears to be a strong

CONTINUED ON NEXT PAGE

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The Nikkei Ryestu Shimbun (Nikkei Marketing Journal, 5/9)	240,163*	Top retailer
The Japan Economic Journal	34,128	International businessmen



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JAPAN'S NEW INDUSTRIES VIII

Great strides in drug technology

IF YOU DEMAND RESOURCEFULNESS. GET IT.

Consult the IBI Banking Group in Europe.

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Frankfurt. The Industrial Bank of Japan (Germany) is a majority-owned subsidiary of IBI, being jointly operated with Deutsche Bank AG.

Luxembourg. The Industrial Bank of Japan (Luxembourg) S.A., a wholly-owned subsidiary of the Industrial Bank of Japan (Germany), was the first Japanese bank established in Luxembourg.

In addition IBI maintains representative offices in Frankfurt and Paris which act as information centers, providing access to the comprehensive knowledge IBI has accumulated in serving Japanese industries.



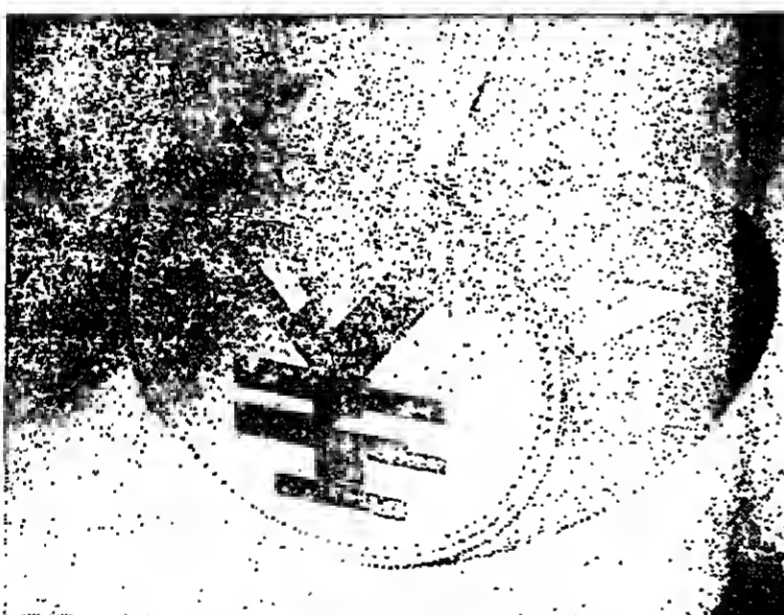
THE SEVENTIES saw the transition of Japan's pharmaceutical industry from the status of simple importer and licensee to importer, innovator and exporter to the world.

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PHARMACEUTICALS

CAROLINE DALE

At one time, shortly before the restrictions on overseas capital investment in this country were lifted in the early 1970s, the influx of foreign companies was construed as a possible threat to the Japanese pharmaceutical industry.

Not all the companies mentioned above as moving into the forefront of world R and D are Japan's oldest or largest manufacturers.

Restrictions

To their added credit the companies that have succeeded with their own developments have done so this decade in the face of mounting restrictions imposed by the Japanese Health and Welfare Ministry (MHW).

Japan has made some astonishing leaps in drug technology in the field of artificial blood. The Green Cross Corporation of Osaka has taken its cut from its lead in this sphere with its perfluorocarbons which perform the work of red corpuscles carrying oxygen in the blood.

Market

CONTINUED FROM PREVIOUS PAGE

lead in the latest version of ultra-sound equipment — that which involves "real time" Ultra-sound, which uses sound waves instead of X-rays to take pictures inside the body, has been around for a long time.

Share

Toshiba claims to have been the leader in real time but Hitachi Medical is almost equally strong. The ultra-sound market took off from 1975 onwards as a result of real time and is now estimated to be worth about \$25bn per year.

There are approximately 150 foreign pharmaceutical subsidiaries operating in Japan today but their share of the Japanese domestic market is not precisely known.

The Japanese might admire Western technological achievements but tend to regard foreigners as the poor cousins with little skill or knowledge when it comes to attacking the

domestic market. For example, Japanese companies rely heavily on "detailmen" working for each company to visit the 130,000 or so active doctors working in Japan today.

Marketing success is only part of the Japanese story. Japanese pharmaceutical companies are pouring more money than ever before into R and D as the local competition builds up.

ENGLAND'S GREEN advertisement for industrial land in Kent, featuring details on acreage, services, and contact information for Mike Parkes.



Hands Across the Oceans

Mitsui O.S.K. Lines is proud of the contribution it is making with its over 280 ship fleet to the expansion of international trade. Its 30 liner routes, which include 9 container routes, make in fact the largest shipping network in the world.

Mitsui O.S.K. Lines advertisement with logo, head office address (Tokyo, Japan), and London branch details.

Vertical text on the far right edge of the page, partially cut off, mentioning 'Jugular vein' and 'Protecting the consumer'.



UK COMPANY NEWS

Companies and Markets

Overseas upturn helps Lucas to hold £71m

WITH LOWER UK profits offsetting gains overseas, group pre-tax profit of Lucas Industries...



Sir Bernard Scott, chairman of Lucas Industries... large export gains despite difficult conditions.

Overseas sales increased by £22m to £327m while the Lucas share of overseas associates rose by £17m to £108m.

Earnings per £1 share are shown to be down from 59.89p to 54.3p.

Sir Bernard Scott, chairman, comments that despite the difficult operating conditions the principal UK manufacturing companies achieved large gains in exports.

Stressing the need to foster this international status Sir Bernard says that the group is continuing the high level of investment in research and development.

At July 31 net borrowings showed an increase from £21.89m to £25.92m.

An analysis of sales and trading surplus shows (£m): Vehicle equipment £57.14 & £67.12 (£792.28 £70.22); aircraft equipment £119.08 & £1.65 (£103.53 & £3.51); and industrial products £95.44 & £5.64 (£75.36 & £4.15).

Business in North America continues to increase and rose to £52m. Sir Bernard says that this position will be further strengthened by new contracts for both diesel engines, aircraft and braking equipment, recently announced.

Advanced by \$13.5m to \$96.5m. The directors say that it seems likely that net earnings for the year will be a record, and have accordingly declared a 20 cent interim.

Net earnings for the nine months came out at \$2.87m (\$820,000), after tax of \$1.39m (\$402,000) and an extraordinary debit of \$485,000 (nil), which comprised of prior year's taxes.

Earnings per share are given as 118 cents (31 cents).

After depreciation of £26.65m (£22.51m) and including royalty income (£4.65m) (£4.85m), includes loan interest (£3.81m) (£3.81m); interest on bank overdrafts and short-term loans of £3.56m (£3.34m) and interest received of £2.47m (£2.41m).

In Continental Europe, where total sales amounted to £340m, both the diesel engine and brake businesses had "outstandingly

Pre-tax profits of Blackwood Hodge (Canada), 75 per cent owned by Blackwood Hodge, jumped from C\$1.45m to \$4.73m for the nine months ended September 30, 1979.

Applications to make specific bargains may be made.

S.E. suspends St. Piran

BY JAMES BARTHOLOMEW

SHARES of Saint Piran, the controversial mining and building group, were suspended yesterday by the Stock Exchange.

The reason was Saint Piran's failure to supply certain details about its Australian operations in a circular which the Stock Exchange had requested.

Mr. Douglas Allen, a director of Saint Piran, said yesterday that the company was having difficulty in obtaining the information, which should be available in 7 to 10 days.

The circular in question and was requested by the Stock Exchange following the acquisition by Gasco, a Hong Kong company, of a stake in Saint Piran of just under 30 per cent.

There have been several other controversies involving Saint Piran.

In Hong Kong, certain shareholders have been in conflict with the authorities there. The Hong Kong government brought 26 charges against three local companies which had been large shareholders in Saint Piran - Sterling Azalea, Apricot and Charnwood Investments - last September.

Earlier this year, a group led by Mr. Max Lewinsohn, chairman of Dundonion, a British public company whose shares, by coincidence, were also suspended, attempted to remove the board of Saint Piran.

The attempt failed.

Yesterday Mr. Lewinsohn said the suspension was sad because the people who would really suffer were the shareholders stuck with an unlisted company.

Electrocomponents moves ahead at interim stage

ON sales ahead from £20.7m to £25.3m, taxable profits of Electrocomponents expanded to £5.69m for the half year ended September 30, 1979, compared with £4.51m.

The directors state that despite the lack of buoyancy, sales of the UK market generally, sales continue to improve against the previous year. They anticipate this growth will continue, but

maintain a cautious view of prospects in the short term.

Profits for the whole of 1979-79 rose from £7.6m to a record £10m.

After six months tax of £2.5m against £2.15m, net profit emerged at £3.19m (£2,338m) giving earnings of 15.89p (11.96p) per 10p share.

The net interim dividend is hoisted by 2p to 3.5p - last year's final payment was 5p.

Life has been good at Electro-

HIGHLIGHTS

Lex takes a look at company trends which were evident in the City yesterday with inflation worsening, interest rates rising and the stock market in general retreat.

components, which has experienced an impressive 29 per cent compound growth rate in pre-tax profits since 1970, after seeing an increase of 133 per cent in the half-time dividend payout, combined with a 26 per cent rise in pre-tax earnings, the market boosted the shares 13p to 433p yesterday.

New management for Movitex

Mr. Robert Bulfield was unseated yesterday as chairman of Movitex, the record pressing and plastics group, and the four candidates for the Board put forward by the dissent group led by Sheppards and Chase, were all appointed.

Bulfield will continue to hold his 12 per cent stake now that he has been unseated. Yesterday he said that he had not considered his personal position as yet.

The annual meeting, attended by only one independent shareholder, saw the end of the five-month battle between the two-man Board led by Mr. Bulfield, and the Sheppards and Chase clients who bought over 50 per cent of the shares in May following a major placing by Mr. Albert Perry, a former director, and his associates.

Standard Life bond attracts £1m so far

The entry of Standard Life Assurance into the unlinked life market has met with a tremendous initial response. The company, the largest Scottish Life concern, has received over £1m in the first week of its operation. It entered this market on Monday, October 29, with the launch of a single premium linked investment - the Capital Investment Bond.

BCA little changed in second half

SECOND HALF profits of British Car Auctions Group were virtually unchanged at £957,000. This gives a total of £1.74m for the year ended July 31, 1979, compared with £1.67m.

From earnings per share of 3.96p (5.67p) the dividend is 1979 1978 0.000 0.000

Auction sales 134,542 109,229 Other sales 8,019 4,383 Commissions earned 5,512 4,338 Profit before tax 1,742 1,675 Taxation 1,023 594 Extraordinary debits 26 11 Minority 26 11 Net attributable 645 616 Divided by 2,512 2,512 p of a final of 2.2p.

All the motor businesses, including the auctions, were affected by the severe winter, followed by the energy crisis. For four months trading profit was very much reduced when it should normally be at a peak.

Valuable contributions were made by Readyzys (gas and gas cylinder dealers), Coin Machine Sales, and McAlisters-Caravan Sales.

Certain freehold properties have been revalued professionally at a surplus of £4.6m, and

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date, Correc- Total Total, and Total last year.

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Tyson's runs into loss midway

THE WORKLOAD at Tysons (Contractors) is now showing signs of improvement, following a dismal first half in which the company ran into a loss of £187,170.

This reflected the shortage of work on the west coast of the transport strike in the earlier part of the year, the prolonged winter and the current high rates of interest.

In the first half of 1978 the company made a profit of £108,424 and this had risen to £236,380 by the year-end. This in itself showed a reduction on the previous £488,000, but the dividend was held at 2.1175p.

Turnover 1978 6,037,178 4,887,772 Loss 167,170 102,423 Tax credit 42,250 144,000 Net loss 124,920 61,424 Earnings 1.230

Two rubber companies pay bonuses

In view of their excellent results, two Malaysian rubber companies are adding a bonus to their usual dividend payments.

With its maintained final of 0.5p, Narborough (FMS) Rubber Estate is paying a bonus of 0.3p, thereby lifting the total from 1.5p to 1.8p for the year ended June 30, 1979.

The total distribution by Riverview Rubber Estates (Berhad) is being raised from 12 cents to 15 cents for the year 1979.

The unchanged third interim of 8 cents is accompanied by a bonus of 3 cents. In 1978 Riverview achieved a profit before tax of \$2.93m.

PARKER KNOLL

First-half profits of Parker Knoll are expected to exceed substantially the Elm made in the corresponding period to January 31, 1979.

Associated British Foods Half Year Progress Report

The Directors of Associated British Foods Limited announce unaudited profits for the six months ended 29 September, 1979.

Table with columns: Item, Six months to 29 September, 1979, Six months to 30 September, 1978, and Year to 31 March, 1979.

An interim dividend of 1.1p (1978 - 0.883p) will be paid on 10th March 1980 to shareholders registered at the close of business on 4th February 1980.

World-wide sales for the half year have increased by £122 million, or 14 per cent, after taking into account a reduction of some £40 million due to currency realignments and the inclusion for part of increased by 20 per cent and overseas by 18 per cent.

Profits before tax at £39.6 million or 17.5 per cent, higher when compared with last year and earnings per ordinary share 18.5 pence higher at 6.86p.

In the United Kingdom profits have increased by £3.4 million, or 17.4 per cent, with a substantial proportion of this increase coming from our retailing division reflecting the growing effect of lower milling profits.

Overseas profits increased by £2.5 million, or 17.6 per cent, after taking into account a reduction of £0.9 million due to realignment of currencies at the end of September.

Sales in Australia increased by 14.8 per cent. All divisions were adversely affected by industrial disputes but despite this margins were maintained and the profit before tax increased by 14.3 per cent.

Vertical advertisements on the right edge of the page, including 'AB Foods to £39', 'Clarksons get another', 'Ingalls', and 'BASE LENS'.

# AB Foods advances 17.5% Kwik-Fit surges to £39.6m at six months 51% at midyear

TAXABLE surplus of Associated British Foods rose by 17.5 per cent from £33.7m to £39.6m for the six months ended September 29 1979, following a slight increase for the previous year to £78.9m.

Mr. Garry Weston, the chairman, says that while he cannot at this stage forecast the effect of any industrial unrest that may occur this winter, nor the strength or otherwise of sterling by the end of the period, the group should continue its satisfactory growth for the full year.

At the annual meeting in July, the chairman had said that results for the first quarter for all divisions were on target, although this did not allow for the possibility of a further increase in inflation.

World-wide sales for the half year increased by 14 per cent from £277m to £309m after taking into account a reduction of some £40m due to currency realignments, and the inclusion for part of last year of Alliance Wholesale Grocers. If an adjustment was made for these factors, sales in the UK rose by 20 per cent and overseas by 18 per cent.

In the UK profits were up by 17.4 per cent, a substantial proportion of which came from the retailing division, reflecting the growing contribution of the

superstore operations.

The improved result from the bakery division was largely offset by lower millings profits, while competitive pressures generally within the food industry left the group's other manufacturing divisions with profits marginally ahead.

Overseas profits expanded by 17.5 per cent after taking into account a reduction of £0.9m due to realignment of currencies at the end of September. Sales in Australia were up by 14.8 per cent mainly in the cake, meat and dairy products divisions, plus the newly-acquired bread business in New South Wales. Trading conditions in all divisions were adversely affected by industrial disputes during the period but despite this margins were maintained and the profit

before tax increased by 14.3 per cent.

Profits of Premier Milling were 23 per cent higher, compared with a depressed period last year, on a sales increase of 18 per cent. This, Mr. Weston says, continues the upward trend experienced in the second half of last year and reflects a slight improvement in the South African economy generally.

Stated half-yearly earnings per 5p share, before an extraordinary credit of £500,000 (£1.9m) for the period, are 8.86p (5.79p). The net interim dividend is raised to 1.1p (0.885p)—last year's total was 2.9p.

Pre-tax figure was struck after depreciation, £16.8m against £14.4m, and interest lower at £5.9m compared with £6.2m. The chairman says this reduction reflects the strong cash flow in the UK during the six months, which enabled the group to cover a continuing high level of capital expenditure and further reduce borrowings.

The attributable balance came out at £26.1m (£22.6m) after tax, up from £9.6m to £11.3m, minorities £3.7m (£3.4m), and the extraordinary items.

continued expansion of Kwik-Fit retail depots.

Mr. Stenson adds that with the acquisition of Euro Exhaust Centre Holdings, operator of 83 depots in the UK and Europe, the group will be the major independent retailer of tyres and exhausts in Europe. He is confident this will ensure a successful and exciting future.

**Comment**

The expansion of Kwik-Fit is proceeding at a hectic pace and the interim figures seem to justify the profligate fashion in which it issues equity. Earnings per share are up by 13 per cent despite a 40 per cent increase in average share capital. By the end of the year, however, the number of shares on issue will be 50 per cent above the present level, so impressive earnings growth must be maintained. For the existing group, pre-tax profits of £1.6m look attainable and Euro Exhaust should also make a useful two-month contribution. The best news in the first half was the improvement in UK trading margins to 16 per cent. Operating on high fixed costs, the group earns impressive margins if it can boost turnover per depot and this will become increasingly apparent in bad winter weather causes business to improve further. Meanwhile, the Dutch side is producing a pedestrian return but should pick up in the second half. The forecast gross dividend is 2p for the year, producing a yield of 3.3 per cent at 59.1p.

STANTIAL GROWTH is reported by Kwik-Fit (Tyres and Exhausts) Holdings for the six months ended August 31, 1979. On turnover some £1m higher at £8.87m, pre-tax profits jumped 51 per cent from £540,428 to £817,068.

Earnings per 10p share increased from 2.9p to 3.28p on increased capital and, as forecast, the net interim dividend is lifted 51 per cent to 0.605p (0.4p)—last time, the total was 0.921p on £1.6m taxable profits.

Mr. Alec Stenson, the chairman, says that during the six months, Kwik-Fit tyre and exhaust depots made satisfactory progress and increased profits by 48 per cent to £730,170 on turnover of £4.51m (£3.62m).

The group's Dutch subsidiary, Van Roy Dorsman, wholesale distributor of garage and light industrial equipment, also improved performance with profits up slightly from £101,936 to £104,635, on £3.16m (£2.08m) turnover.

Investment income advanced from £2,016 to £27,870 for the half year, while holding company expenses were up from £49,195 to £65,607. Tax took £203,041 (£151,320), and attributable surplus rose by £224,919 to £314,027. The interim dividend cost increased from £59,922 to £136,373.

The chairman reminds holders that the acquisition of Corob Inter City Properties in the period provided the group with some £4.5m of cash and securities. He says this was to enable it to pursue its policy of con-

## electrocomponents limited

### INTERIM STATEMENT

The results for the half year to 30 September 1979 are—	Half Year to 30 Sept. 79 (unaudited) £000's	Half Year to 30 Sept. 78 (unaudited) £000's	Full Year to 31 March 79 (audited) £000's
External sales	25,302	20,717	44,405
Profit before taxation	5,692	4,511	10,004
Corporation tax	2,500	2,180	4,632
Profit after taxation	3,192	2,331	5,372
Earnings per share	15.96p	11.66p	26.86p

**TRADING RESULTS AND PROSPECTS**

Sales for the first half of the current year have increased by 22.1% over the corresponding period in the previous year. The related increase in pre-tax profit is 26.2%. Whilst the effects of inflation continue to be felt, net profit as a percentage of sales at 22.5% is in line with the figure achieved for the financial year ended 31st March 1979.

Despite lack of buoyancy in the UK market generally, sales continue to increase over the previous year. The Board anticipates that sales growth will continue, but maintains a cautious view of prospects in the short term.

**DIVIDEND**

At a Board Meeting held on 5th November 1979, the Directors declared an interim dividend of 3.5p per ordinary share, absorbing £700,000. This compares with £300,000 absorbed by the 1978 interim dividend of 1.5p per share on the then issued share capital.

Dividend warrants will be posted on 4th January 1980 to members on the Register at 10th December 1979.

Britain's biggest electronic components manufacturer

## Clarksons creditors to get another 5p in the £

A SECOND dividend of 5p in the pound on admitted unsecured claims has been announced by the liquidators of Clarksons Holdings. This, when added to the first payment, declared in May 1977, makes a total distribution of 12.5p in the pound to unsecured creditors.

The total is a considerable improvement on the position estimated by the directors in their statement of affairs, which indicated that creditors were unlikely to receive more than 5p in the pound. Gross realisations to date exceed £3.1m, compared with the original estimate of some £1.4m.

All preferential creditors — mainly former employees who have claimed have been paid in full and to date unsecured claims

amounting to nearly £18m have been agreed.

There are some substantial unsecured claims still under consideration but it is estimated that, when all claims are finally agreed, the total will be less than the original estimate of about £25m.

No further significant realisations are expected, the principal factor delaying the completion of the liquidation being pending litigation with some substantial creditors. As a result, the liquidators say it is not possible, at this stage to indicate, either, when the liquidation will be complete or, the level of a final dividend.

The liquidation is being carried out by Mr. Guy Parsons and Mr. Christopher Sneath, of Peat Marwick Mitchell and Co.

## DRAYTON CONSLD.

The 44pc debenture stock 1969-80 of Drayton Consolidated Trust will be redeemed at par on January 1, 1980. The date for the final closure of the register of this stock will be December 14, 1979.

### INGALL INDUSTRIES LIMITED

**A year of progress**

	1979	1978
	£'000	£'000
Group turnover	4,666	4,247
Profit before tax	438	347
Earnings	186	161
Earnings per 10p share	3.47p	3.07p
Dividends per 10p share	2.06p	1.87p

\* Although sales and profits in the Engineering Division were reduced due to external strike action and general industrial unrest, the Funeral Furnishing Division continued to improve and I am pleased to report a year of overall progress and record profits.

Your Directors view the future with confidence and if we and our customers are allowed to go about our work normally we look forward to reporting a further advance for the current year.

The above are extracts from the Chairman's Statement. Copies of the full report can be obtained from The Secretary, 206 Bradford Street, Birmingham B12 0RH.

### BASE LENDING RATES

A.B.N. Bank	14%	Hill Samuel	14%
Allied Irish Bk	14%	C. Hoare & Co.	14%
Amro Bank	14%	Julian S. Hodge	15%
American Express Bk	14%	Hongkong & Shanghai	14%
A.P. Bank Ltd.	14%	Industrial Bk of Scot.	14%
Henry Ansbacher	14%	Keyser Ullmann	14%
Associates Cap. Corp.	14%	Knowles & Co. Ltd.	15%
Banco de Bilbao	14%	Lloyds Bank	14%
Bank of Credit & Cmce.	14%	London Mercantile	14%
Bank of Cyprus	14%	Edward Manson & Co.	15%
Bank of N.S.W.	14%	Midland Bank	14%
Banque Belge Ltd.	14%	Sammel Montag	14%
Banque du Rhone et de	14%	Morgan Grenfell	14%
la Tansie S.A.	14%	National Westminster	14%
Barclays Bank	14%	Norwich General Trust	14%
Brennar Holdings Ltd.	15%	P. S. Refson & Co.	14%
Brit. Bank of Mid. East	14%	Rosminster	14%
Brown Shipley	14%	Ryl. Bk Canada (Ldn.)	14%
Canada Perm't Trust	15%	Schlesinger Limited	15%
Cayzer Ltd.	14%	E. S. Schwab	15%
Cedar Holdings	14%	Security Trust Co. Ltd.	16%
Charterhouse Japhet	14%	Shenley Trust	16%
Chouartons	14%	Standard Chartered	14%
C. E. Coates	14%	Trade Dev. Bank	14%
Consolidated Credits	14%	Trustee Savings Bank	14%
Co-operative Bank	14%	Twentieth Century Bk	15%
Corinthian Secs.	14%	United Bank of Kuwait	14%
The Cyprus Popular Bk	14%	Whiteaway Laidlaw	14%
Duncan Lawrie	14%	Williams & Glyn's	14%
East Trust	14%	Yorkshire Bank	14%
E. T. Trust Limited	14%		
First Nat. Fin. Corp.	15%		
First Nat. Secs. Ltd.	15%		
Antony Gibbs	14%		
Greyhound Guaranty	14%		
Grindlays Bank	14%		
Guinness Mahon	14%		
Hambros Bank	14%		

Members of the Accepting Houses Committee.

7-day deposits 11½% 1-month deposits 11½%

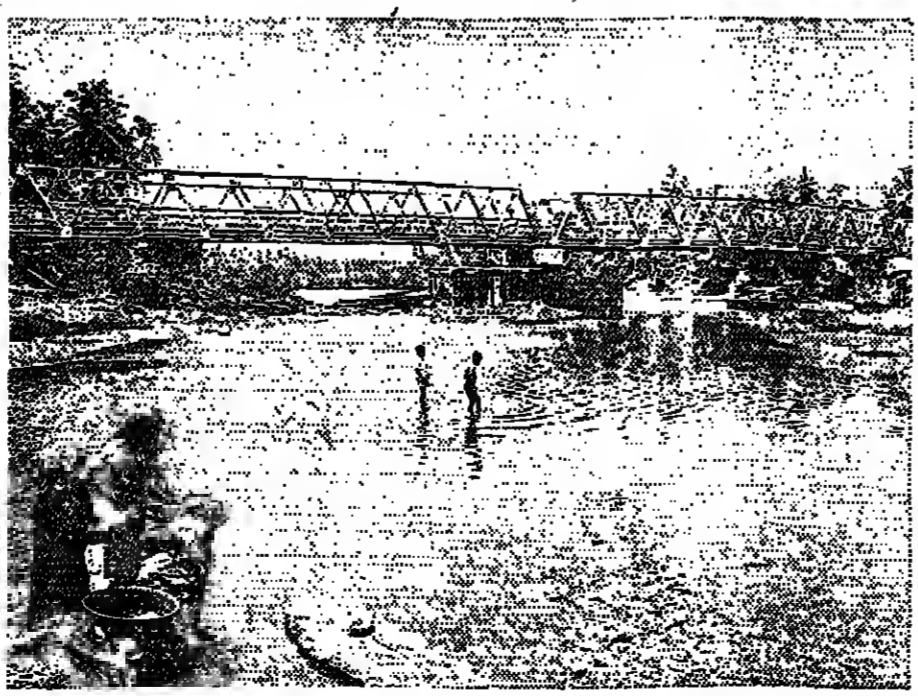
7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12%, and over £25,000 12½%

Call deposits over £1,000 11½%

Demand deposits 11½%



## BICC—people who make things work worldwide



A Callender-Hamilton Bridge in Indonesia.

With its wide range of products and services including cables for power and communications, overhead transmission lines, railway electrification, electrical contracting, civil engineering and construction, BICC plays a leading role in the development of the infrastructure of countries across the world.

In the Far East, in the Middle East, in Africa and Asia, in Europe and the USA, projects of vast and socially far-reaching significance have been made possible by BICC experience. BICC technology, BICC resources. Main line railway electrification in Britain, the design, construction and management of a new cable factory in Dubai, a £100 million power transmission network for Hong Kong, a \$54 million national telecommunications network for Indonesia.

These are just some of the ways in which BICC people make things work worldwide.



## Making it work worldwide

BICC Limited, Group Head Office, 21 Bloomsbury Street, London WC1B 3QN. Telephone: 01-637 1300. Telex: 23463 and 28624. CABLES—CONSTRUCTION—ENGINEERING—METALS



Chesterfield Props. grows at halftime

FOR THE first half of 1979, gross income of Chesterfield Properties rose slightly from £1.51m to £1.58m, but after lower interest of £0.29m against £0.47m, pre-tax profits increased by £0.21m to £1.2m.

Table with 2 columns: 1979, 1978. Rows include Turnover, Gross income, Interest payable, etc.

Mack expands to £0.21m and strongly placed

Profits before tax of M. and W. Mack rose 27 per cent to a record £214,608 in the year to April 28, 1979, compared with £168,618 last year. Turnover was 10 per cent higher at £24.24m, against £22.1m.

Ingall Inds. sees advance

The directors of Ingall Industries view the future with confidence and are looking for a further advance in results for the current year, says Mr. H. M. Riley, the chairman, in his annual statement.

BIDS AND DEALS

Dundonian talks on major deal

Dundonian, whose activities run from finance and funeral services to fuel saving and mining, is negotiating to buy a small housebuilding company in south-east England from Johnson and Firth Brown.

Averys says GEC trying to buy cheaply

Averys, the weighing machine company, has taken a further swipe at the terms of General Electric Company's £20.4m bid, which it criticises as totally inadequate.

HUME REGARDS RIT OFFER ATTRACTIVE

Hume Holdings has told its shareholders that the offer from Rothchild Investment Trust, which now holds over 50 per cent of the "A" shares and of the

B. Sunley shares re-open at 600p

Holdings that a scheme of arrangement is to be put to holders of the 480,000 5 per cent cumulative preference £1 shares in Edgar Allen Balfour.

The market price compares with a cash offer (with a loan stock alternative of the same nominal value) of 630p from Eagle Star, the insurance company which has held a 33 per cent stake in the property group for some years.

TKM buys more of Wadham

Tozer Kemsley and Millbourn has bought a further 675,000 shares in Wadham Stringer, the vehicle distributor for which it has £12.5m, and now controls around 40 per cent of the equity.

C. & W. WALKER/A. McMILLAN

C. and W. Walker Holdings, heavy metal fabrication engineer, states that contracts have been exchanged for the purchase of Archibald McMillan and Company, for £130,000.

EAB/AURORA

N. M. Rothschild and Sons announces on behalf of Aurora

DOES YOUR EXPERT KNOW GERMAN AS WELL AS OUR EXPERT?

However good your bank manager, or accountant or company secretary, it's unlikely that he'll understand the complexity of the German finance scene nearly as well as our expert.



EUROPEAN OPTIONS EXCHANGE table with columns for Series, Vol., Jan., Last, April, Last, July, Last, Stock

COMPANY NOTICES

Banque Nationale De Paris in Hamburg. Banque Nationale de Paris announces the opening of an Agency in Hamburg, one of the three large German commercial and banking centres with Frankfurt and Dusseldorf.

LEGAL NOTICES

IN THE MATTER OF BERNAYS MAIN'S SHOPS LIMITED. NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 7th day of October, 1979, to send in their claims.

PUBLIC NOTICES

CLWVD COUNTY COUNCIL. £1m bills issued today due £2.00 at 13.31.44m. 5.1. Total applications £6m. Total outstanding £2m.

ART GALLERIES

AGNEW GALLERY, 45 Old Bond St., W.1. 528 6178. TURNER 10 AN EXHIBITION. 19th-21st October. 10.30-5.30.

CLASSIFIED ADVERTISEMENT RATES

Table with columns: Single, per line, column, cm. Rows include Commercial and Industrial, Residential Property, etc.

Co-operative Bank Limited advertisement. Includes logo, text: 'This Advertisement complies with the requirements of the Council of The Stock Exchange in London', and details about Floating Rate Capital Notes 1986.

BTR/BLYTHE GREENE

As a result of the scheme to introduce BTR as a major shareholder in Blyth Green Jourdain and Co, the merchant banker and investment holding company, needed to increase the holding of John Swire and Son, Swire now owns 51.88 per cent of the BGT equity and BTR will own 25.94 per cent.

ICFC BACKS COMPUTER SUPPLIER

Industrial and Commercial Finance Corporation has subscribed £50,000 for redeemable preference shares to JMF (Computer Supplies) of Harrow. Founded five years ago, the company's marketing policy is to provide the computer user with every conceivable related product and service.

INTERNATIONAL COMMODITY SHAR FUND

NOTICE TO EDR HOLDERS. Further to our Notice on the 13th October, 1979, this is to inform EDR holders that the General Meeting of Shareholders held on Tuesday, 30th October, 1979, has resolved to pay a dividend of 10% on the share capital of the Fund.

MAKITA ELECTRIC WORKS, LTD. (CDR)

The Board of Directors of Makita Electric Works, Ltd. has announced that the Company's Annual Report for 1978 will be sent to all shareholders and will contain a 10% dividend on the share capital of the Company.

DAIWA SEIKO, INC

NOTICE TO EDR HOLDERS. Further to our Notice on the 13th October, 1979, this is to inform EDR holders that the General Meeting of Shareholders held on Tuesday, 30th October, 1979, has resolved to pay a dividend of 10% on the share capital of the Fund.

SVERIGES INVESTINGS BANK A.B.

Swedish Investment Bank Limited. Copies of the above mentioned Company's Annual Report 1978 are now available from: S. G. WARBURG & CO. LTD., 30, Abchurch Lane, London, EC4N 3DF.

ART GALLERIES

OMELL GALLERIES, 40, Abchurch Lane, London, EC4N 3DF. RICHARD GREEN GALLERY, 4, New Bond Street, W.1. 528 6178.

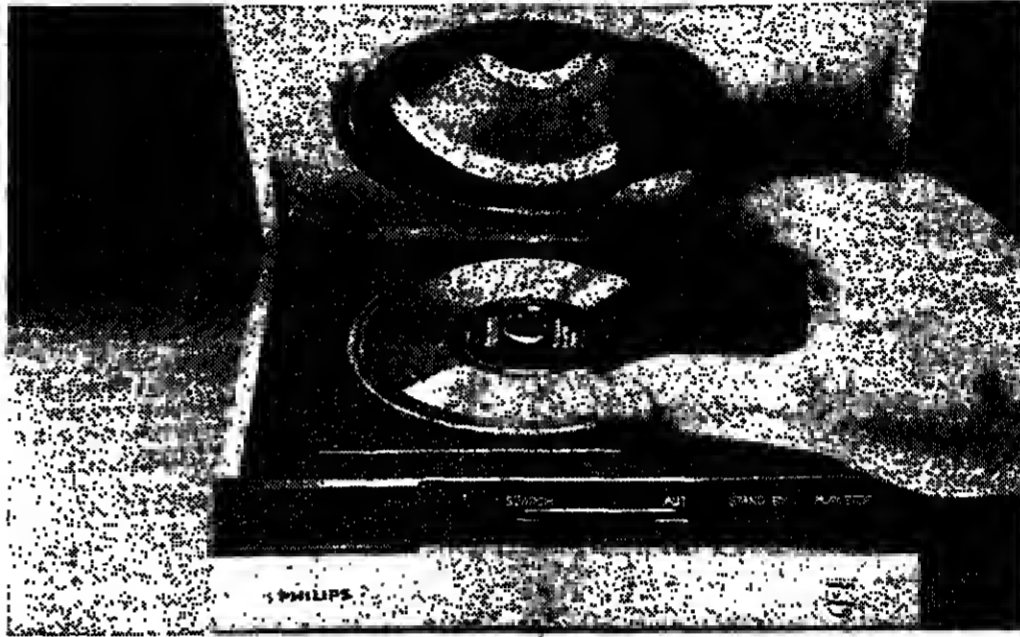
# PHILIPS-A WHOLE NEW WORLD OF KNOWLEDGE.

Today, Philips are going to spend over one million pounds with you in mind. We're using this money on research and development to build a whole new world of knowledge that benefits everybody. Because Philips, new ideas don't gather dust. They gather momentum. And are turned into worthwhile new products we can all use. In our homes, our hospitals, our schools and our places of work. In fact, our complete environment. The reason for this is that there's nothing particularly special about the million pounds we're spending today. We spend over one million pounds every day to widen our knowledge and produce even better products for you. Here are some of the ways in which that £450 million a year is spent on research and development helping to keep Philips simply years ahead.



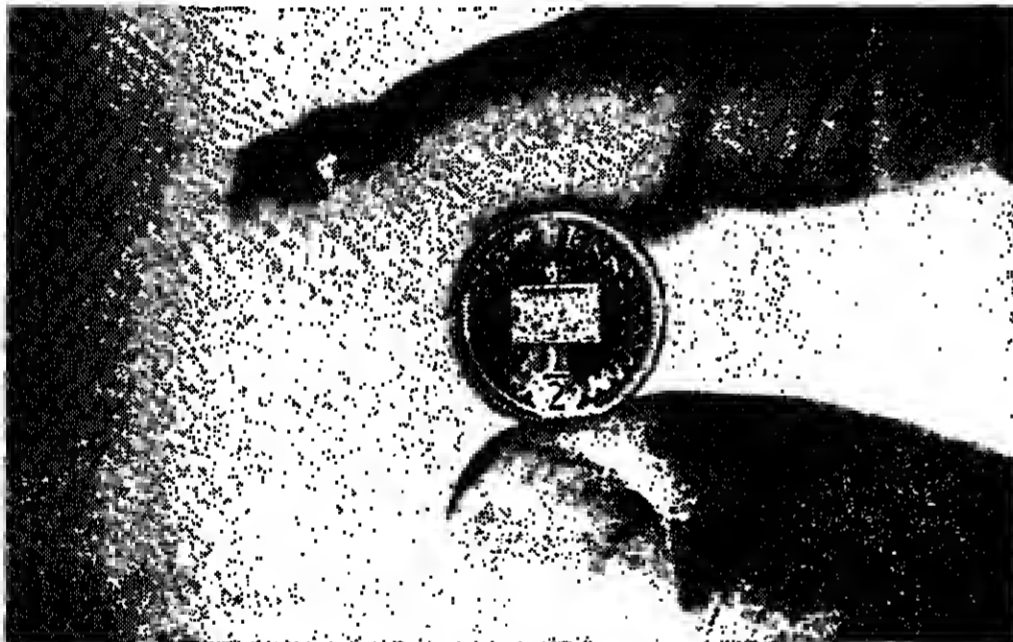
## The super-sensitive 'Night Eye' that lets you see in the dark.

We're helping people to see in the dark with an amazing new type of Image Intensifier. The system gives a high definition picture without the need for additional directed light beams. Already this new development from a Philips Group company - Mullard - is playing a major part in the campaign against crime.



## Hi-Fi that has a friction-free laser instead of a stylus.

For the future, we have an ultra high-fidelity stereo system that uses a laser beam to play records. The special mini-discs it uses will play for an hour. And by avoiding stylus-to-disc contact surface noise and wear are totally eliminated.



## The world's most advanced Teletext chip.

A silicon chip that can process millions of pieces of information a second! This remarkable development from Mullard, a member of the Philips Group, is part of the new world of electronics - helping to build another great industry for Britain.



## We're even helping in the fight against cancer.

Philips Linear Accelerators for cancer therapy are installed in specialised Treatment Centres the world over. They have already helped to save many lives. And the research goes on.



# PHILIPS

## Simply years ahead



Philips Industries, Arundel Great Court, 8 Arundel Street, London WC2R 3DT.

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Carte West  
ST FRANCIS CHURCH  
WEST GERMANY  
Financial Times  
FT INTE



INTERNATIONAL COMPANIES and FINANCE

Carter bond terms cheer West German bankers

BY FRANCIS GHILES

WEST GERMAN banks warmly greeted the terms on which the DM 2bn worth of Carter bonds will be offered to German subscribers. The shorter dated notes will carry a coupon of 8.55 per cent and the 3 1/2 year notes one of 8 1/2 per cent.

U.S. OIL COMPANY PROFITS Putting the case for the defence

BY DAVID LASCELLES IN NEW YORK

FOR THE U.S. oil industry, the third quarter was great for profits, but a near disaster in every other sense.

Oil companies were also at pains to draw attention to their vast capital spending budgets, amounting in many cases to billions of dollars, all to boost U.S. fuel production.

Santa Fe may make offer for C. F. Braun

ORANGE—Santa Fe International Corporation has confirmed that it is the company seeking to acquire C. F. Braun, the engineering services group.

Deere forecasts higher earnings despite strike

MOLINE—Deere, the farming machinery group, expects to report "significantly" higher earnings for the fiscal year just ended.

The timing could hardly have been worse. Those gains of 100 per cent and more reported by oil majors like Exxon, Mobil, Texaco and Chevron, came just as the Senate was considering President Carter's proposed windfall profits tax on oil company earnings.

Swearingen, chairman of Standard Oil, who said that nearly 85 per cent of his company's earnings increase in the first nine months was due to strong performance by its overseas petroleum and chemical operations.

The public outcry over huge oil company profits has become something of a quarterly ritual. However, the political atmosphere is probably now at its touchiest.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists.

Table of international bond issues with columns for U.S. Dollar, Issued, Bid, Offer, day, week, Yield.

Table of other straight bonds with columns for Issued, Bid, Offer, day, week, Yield.

Getty to pay \$10m to Denison Mines

LOS ANGELES—Getty Oil Company has disclosed that, as part of its agreement to acquire Reserve Oil and Gas Company, it will pay \$10m to Reserve's former suitor, Denison Mines.

Greyhound set for record result

PHOENIX—Greyhound Corporation expects a record third quarter and nine month profits for the longer period surpassing the total 1978 net income, according to Mr. Gerald Trautman, the chairman and chief executive.

Electronic Data opens year on strong note

ELECTRONIC DATA SYSTEMS has opened the year on a strong note, boosting third quarter earnings from \$5.49m or 43 cents a share to \$6.73m or 50 cents a share.

Newfoundland refinery warning

TORONTO—The bankrupt oil refinery at Come by Chance, Newfoundland, may be sold as scrap unless there were indications by the end of the year that it would be purchased.

Kanab offshoot sees North Sea prospects

MR JIM WHATLEY, chief executive officer of Kanab Services, the energy and consulting services group, disclosed in London yesterday that turnover at Intercomp, the oil industry engineering subsidiary, is expected to double within the next five years from the present \$26m worldwide.

Table of Deutsche Mark bonds with columns for Issued, Bid, Offer, day, week, Yield.

Table of convertible bonds with columns for Conv. Conv. date, Bid, Offer, day, week, Yield.

Flintkote cool on Genstar bid

STAMFORD—Flintkote's Board met for a second time to consider Genstar's proposal to acquire the company through a \$55-a-share tender offer—worth almost \$400m—but did not reach a decision.

Industriekreditbank AG Deutsche Industriebank

Advertisement for Industriekreditbank AG, Deutsche Industriebank, including contact information and a signature.



# Strong advance by Sharp despite fall in export ratio

BY OUR FINANCIAL STAFF

SHARP CORPORATION, the Japanese manufacturer of electric appliances and business machines, raised its after-tax profits steeply in the first half of the financial year, in spite of a further decline in its traditionally high export ratio, to below 50 per cent.

Net profits of ¥8,250m (\$26.6m) showed a gain of 56.3 per cent from the ¥4.6bn of the first half of 1978-79. Sales for the six months to September increased by 15.1 per cent to ¥195.67bn (\$633m), from ¥170.07bn. The interim dividend was unchanged at ¥3.75 a share.

after-tax profit for the full year, to March 31, to rise by 43 per cent to ¥12.4bn, from the 1978-1979 level of ¥8.65bn, on sales up 16 per cent to ¥294bn from ¥253.63bn. It is hoped to maintain the year's dividend at ¥7.50.

# Unitika maintains its recovery

BY RICHARD C. HANSON IN TOKYO

JAPAN'S synthetic textile industry is showing healthy signs of regaining its balance after cutbacks in capacity and personnel over the past three years which enhanced its ability to raise prices to cover sharp increases in raw material costs.

Net profit was still low at ¥71m compared with ¥48m a year ago, but the company is encouraged by recent trends. It has been able to cover increases in prices of raw materials (primarily oil, cotton and wool) of about 90 per cent with increases in its prices, of up to 40 per cent on some products.

companies are taken into account. The company has also regained some of its international competitive strength as a result of the year's decline since the end of last year. Exports in the latest half year were down from a year ago at 8.4 per cent of sales, but the Japanese industry is probably better equipped now to cope with further increases in oil prices than its main competitors in South East Asia.

# SA liquor groups plan to restructure

By Jim Jones in Johannesburg

TRADING in Rembrandt and South African Breweries (SAB) shares was suspended on the Johannesburg Stock Exchange yesterday. The move is widely thought to herald an end to South Africa's beer war. Statements on the restructuring of each group's liquor interests are expected early next week.

The two arch rivals in the South African liquor industry are maintaining a close veil over their plans. But many Johannesburg analysts feel that the odds favour the relinquishing by Rembrandt of its Intercontinental Breweries' beer interests in exchange for all or part of SAB's wine and liquor business.

# Industrial demand boosts Kao Soap

TOKYO—Kao Soap Company, Japan's top manufacturer of synthetic detergent, raised its net profit by 15.4 per cent in the half-year ended September 30 to ¥1,880m (\$7.9m), from ¥1,630m in the same period of the previous year.

# First-half rise at Romatex

BY OUR JOHANNESBURG CORRESPONDENT

ROMATEX, the South African textile combine has reported record first-half earnings for the six months to September 30. Pre-tax income advanced by 42.9 per cent to R17,53m (\$21.1m) from R12,27m in the same period of 1978-79. This compares with total pre-tax income of R21.97m for the year to March.

are expected to be higher than in the previous corresponding period, it is thought that they will be lower than first-half figures, following the normal pattern. An interim dividend of 11 cents has been declared, against 8 cents a year earlier, on first-half earnings per share of 41.3 cents, against 29.5 cents. Last year, from total earnings of 54.9 cents, two dividends amounting to 24 cents were paid.

# Nippon Shinpan ahead

After-tax profit of Nippon Shinpan, the major Japanese credit sales concern, rose by 31.9 per cent to ¥1,820m (\$7.7m) in the first-half, ended September 30, reports Reuter from Tokyo.

# Growth at Plascon-Evans

BY OUR JOHANNESBURG CORRESPONDENT

PLASCON-EVANS, the 73 per cent-owned subsidiary of Barlow Rand has consolidated its position as South Africa's largest paint manufacturer. Largely on the strength of improved domestic demand, but also helped by the consolidation of earlier acquisitions, the company recorded sales of R132.7m for the year to September 30, 1979 against R100.5m. Compared with

this 32.1 per cent turnover improvement, consolidated pre-tax profit advanced by 49.6 per cent to R17.0m against R11.4m. In the past two years, Plascon-Evans has grown both organically and through acquisition. Reed's paint interests were consolidated for the full year, while during the latest reporting period, the printing ink and specialised paint manufacturer Inmost SA was acquired.

# Consolidated Plantations Limited

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the above-named Company will be held at The Regent of Kuala Lumpur Hotel, Jalan Imbi, Kuala Lumpur, Malaysia on Wednesday the 28th day of November, 1979 at 12.20 p.m. (or so soon thereafter as the Meeting of the holders of the Scheme Shares (as defined in the Scheme of Arrangement hereinafter mentioned) convened for that date by direction of the Court shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following Resolution, which will be proposed as a SPECIAL RESOLUTION:

SPECIAL RESOLUTION THAT: (i) for the purpose of giving effect to the Scheme of Arrangement dated 5th November, 1979 (the "Scheme") and circulated with the notice convening this meeting, the capital of the Company be reduced by cancelling the Scheme Shares (as in the Scheme defined); (ii) the capital of the Company be further reduced by cancelling all (if any) of the Shares of the Company issued between 28th November, 1979 and the day immediately preceding the date of the hearing of the petition to sanction the Scheme (both days inclusive) as a result of the exercise by holders of the Warrants of the Company of the subscription rights attached to such Warrants, such cancellation to be on the same terms and for the same consideration as the Scheme Shares are cancelled pursuant to the Scheme; and (iii) forthwith upon the aforesaid reductions of capital taking effect the share capital of the Company be increased by the creation of such number of Shares of 10p each as shall be requisite to restore the same to its former amount and the credit arising as a result of such reductions of capital be applied in paying up in full the Shares so created, such Shares to be allotted and issued credited as fully paid to Consolidated Plantations Berhad or its nominees.

DATED 5th November, 1979. By Order of the Board. WONG TET ONN Secretary.

Registered Office: 3rd Floor, 52/54 Laidenhill Street, London EC3A 2AB.

Notes: 1. A member entitled to attend and vote at the above meeting may appoint a proxy or proxies to attend and vote in his place. A proxy need not be a member of the Company. 2. To be valid, forms of proxy must be lodged: (i) in the case of members registered on the United Kingdom Register of the Company with Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PL, England; and (ii) in the case of members registered on the Malaysian Register of the Company with The Registrar, Consolidated Plantations Limited, 3rd Floor, President House, 54A Jalan Imbi, Kuala Lumpur, Malaysia; and in both cases not less than 48 hours before the time appointed for the meeting or adjourned meeting at which it is to be used.

# Supreme to make two acquisitions

By Wong Sulong in Kuala Lumpur

SUPREME CORPORATION, the Malaysian property and plantation group, has announced plans to make two acquisitions worth ringgit 16.16m (US\$ 7.4m). It is also raising ringgit 10.18m through a one-for-two rights issue at ringgit 1.35 per ringgit 1 nominal share.

The purchase of Ratna Realty will be satisfied by a cash payment of ringgit 3m and an issue of 242m shares of Supreme, valued at 1.65 ringgit per share. Supreme will pay cash for Palm Acid Products—10 per cent upon execution, 30 per cent three months later, and the balance on the approval of the deal by the foreign investment committee.

For the year ended June, pre-tax profit was 89 per cent higher than in 1977-78, at ringgit 1.84m (US\$840,000). A 5 per cent dividend is declared. Until four years ago, Supreme was a tin mining company, but it diversified into property development and plantations when its tin deposits ran out.

# OCBC fails in bid to lift BMT stake

By George Lee in Singapore

THE Overseas Chinese Banking Corporation (OCBC) has failed in its attempt to take over British and Malayan Trustees (BMT), a trustee services company. OCBC and its subsidiaries which collectively own 43 per cent of BMT's issued capital had offered S\$4.50 per share to holders of the remaining BMT shares.

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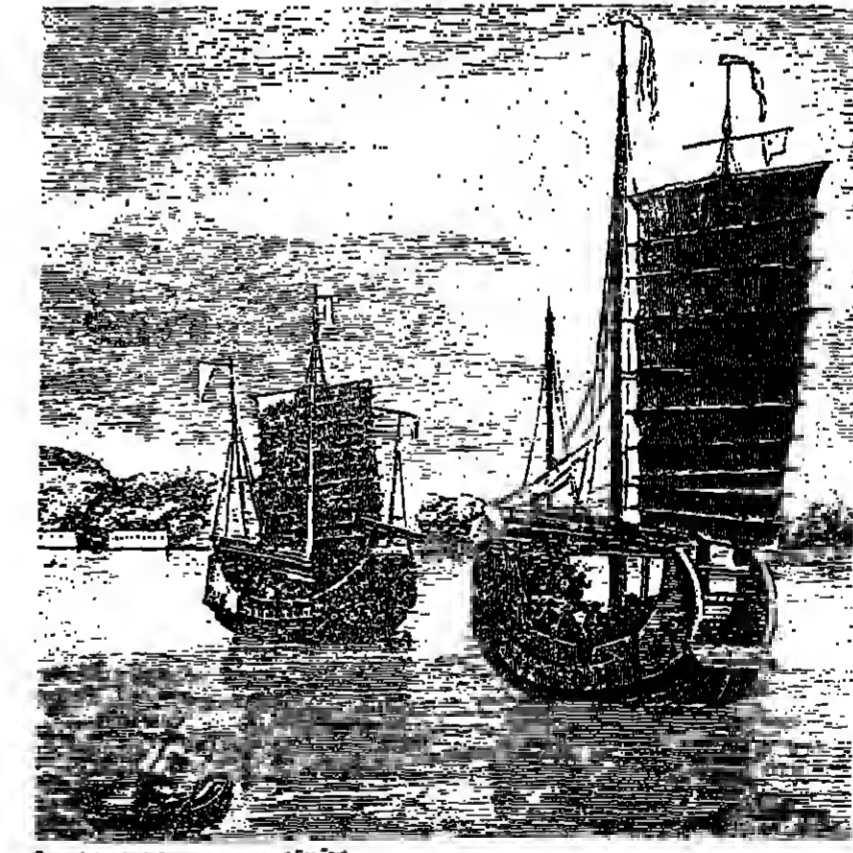
cities such as New Orleans, Los Angeles, San Francisco, Seattle—en route to San Juan in the Caribbean. Reserve a seat 21 days in advance, stay in the States between one and 25 weeks and you can get our £231.50 Super Apex return fare. Or turn up on the day if there's a seat, it's yours—with our £97.50 stand-by fare. For full details, contact your Travel Agent or ring National Airlines on 01-629 8272.

LONDON	depart 11.15
MIAMI	arrive 15.25
NEW ORLEANS	arrive 18.12*
LOS ANGELES	arrive 19.43*
SAN JUAN	arrive 19.51*
HOUSTON	arrive 20.17*
LAS VEGAS	arrive 21.51*

\*All flight arrival times based upon connections at Miami.

Fly National Airlines America's warmest welcome. National Airlines is incorporated in the state of Florida, USA.

# The development of international trade owes much to the foresight of merchant bankers.



Original sketch of 19th century scene in Far East.

The earliest method of international trade was by barter. The introduction of money and the eventual acceptance of foreign currencies accelerated the flow of goods and services. Here the skills and flexibility of merchant bankers played an invaluable role.

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banking role. It provides the full range of international commercial banking facilities, such as payments, collections and documentation to more sophisticated capabilities like buyers' credits, a forfait transactions, and ex-im finance.

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WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on November 5, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates shown where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied. Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorized dealer. Abbreviations: (A) approximate rate, (F) fixed rate, (P) based on U.S. dollar parity, (S) based on sterling/dollar rates, (N) based on the sterling area other than Scheduled Territories; (T) tourist rate; (B) basic rate; (BY) buying rate; (S) selling rate; (C) commercial rate; (F) financial rate; (E) exchange certificate rate; (K) scheduled territory; (N) non-commercial rate; (NOM) nominal; (O) official rate; (W) selling rate.

Table with columns: PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING. Lists various countries and their exchange rates.

£ & \$ steady in quiet trading

Sterling and the U.S. dollar traded quietly in currency markets yesterday in the absence of any fresh news to influence trading. The dollar finished around its best level for the day and showed a marginal improvement over Friday's levels. Against the D-mark it stayed very steady at DM 1.7900 against DM 1.7900 previously, but rose to SwFr 1.6440 from SwFr 1.6330 against the Swiss franc, having been as low as SwFr 1.6345 during the day. The U.S. unit was also firmer against the yen at ¥236.90 from ¥234.50 previously. On Bank of England figures, its trade weighted index rose from 86.6 to 86.7. Sterling opened at \$2.0650 but fell briefly to \$2.0560 on initial selling before recovering on the day to close at \$2.0670. By noon it had settled back to \$2.0625 where it stayed for much of the afternoon before improving to a high point of \$2.0720. Trading for much of the day was very thin and movements were prompted by comparatively small amounts. Sterling finished at \$2.0685, a rise of 25 points from Friday. On Bank of England figures, its trade weighted index eased slightly to 86.1 from 86.2, having stood at 86.1 at noon and 86.0 in the morning. Within the EMS the Italian lira remained the most improved currency having been briefly outbid during the day by the Danish krone, as the latter reacted to the announcement of a two-month wage and price freeze in Denmark. Later in the day the Danish unit slipped into third place behind the French franc, while the Belgian franc remained the weakest currency within the system, but well within its divergence limit.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Lists dollar spot and forward rates for various currencies.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Lists pound spot and forward rates for various currencies.

CURRENCY RATES

Table with columns: Nov. 5, Bank Rate, Special Drawing Rights, European Currency Unit, Nov. 3, Bank of England Index, Morgan Stanley Index. Lists various currency rates.

OTHER MARKETS

Table with columns: Nov. 5, Argentina Peso, Australia Dollar, Brazil Cruzeiro, Canadian Dollar, C.F.A. Franc, Danish Krone, Deutscher Mark, Dutch Guilder, Hong Kong Dollar, Indian Rupee, Italian Lira, Japanese Yen, Kuwaiti Dirham, Luxembourg Franc, Malaysian Ringgit, New Zealand Dollar, Norwegian Krone, Saudi Arabia Riyal, Singapore Dollar, South African Rand, Swedish Krona, Swiss Franc, Taiwan Dollar, Thai Baht, Trinidad Dollar, Turkish Lira, Ugandan Shilling, United States Dollar, Uruguay Peso, U.K. Arab Emirates Dirham, U.S.S.R. Ruble, U.S.A. Dollar, Vietnamese Dong, West German Mark, Western Samoa Tala, Yemen Rial, Yugoslavian New Y Dinar, Zaire Zaire, Zimbabwe Dollar. Lists various other market rates.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU central rate, % change against ECU, % change against ECU, % change against ECU, Divergence limit. Lists EMS European Currency Unit rates.

EXCHANGE CROSS RATES

Table with columns: Nov. 5, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc. Lists exchange cross rates.

EURO-CURRENCY INTEREST RATES

Table with columns: Nov. 5, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen. Lists Euro-currency interest rates.

INTERNATIONAL MONEY MARKET

European interest rates remained generally firm yesterday, with Paris call money rising to 11 1/2 per cent from 11 per cent, following Friday's increase of 1/2 per cent in the Bank of France discount rate for Treasury bills. Terms rates also had a firmer trend, a tendency which is expected to continue during the next few days as a result of last week's rise in West German rates. Friday's increase in Treasury bill rates was the first move by the French authorities following the discount rate rises in Germany, Netherlands, Switzerland and Japan. In France, yesterday one-month funds rose to 12 1/2 per cent from 12 1/4 per cent, and 12-month to 12 1/2 per cent from 12 1/4 per cent. Three-month and six-month money were unchanged at 12 1/2 per cent and 12 1/2 per cent respectively. FRANKFURT—Deutsche Bank and Dresdner Bank raised by 1/4 per cent the interest paid on savings deposits, from November 12. Regular savings accounts will now attract interest at 4 per cent. This follows similar moves by smaller savings banks last week, and a rise of 1/2 per cent in the discount and lombard rates by the Bundesbank on Wednesday. The increase in central bank interest rates was seen partly as a measure to encourage money to flow to savings banks and co-operative banks which the authorities considered to be contributing heavily to the inflationary expansion of credit. In the money market, money rates rose to 7.50-8.00 per cent from 8.00-8.10 per cent. One-month

GOLD

Gold improved by 5 1/2 ounces in the London bullion market yesterday in dull and featureless trading to finish at \$380.1351. Movement throughout the day was restricted to a fairly narrow range with an overnight level of \$377.378 representing the low for the day and a high of \$381.3383. In Paris the 12 1/2 kilo bar was fixed at Fr 51,300 per kilo (\$383.92 per ounce) compared with Fr 51,500 (\$383.88) on Friday afternoon. In Frankfurt the 12 1/2 kilo bar was fixed at DM 21,750 per kilo (\$378.46 per ounce) against DM 21,560 (\$372.97) previously.

UK MONEY MARKET

BRUSSELS—Deposit rates for the Belgian franc were: one-month 14 1/4 per cent; three-month 14 1/4 per cent; six-month 13 1/4 per cent; and 12-month 12 1/2 per cent. AMSTERDAM—lombard rates were unchanged, with call money at 10 1/2 per cent; one-month 10 1/2 per cent; three-month 10 1/2 per cent; and six-month 10 1/2 per cent.

Nervous trading

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979). Short-term fixed period interest rates were very firm in nervous trading yesterday, amid fears of a possible rise in bank base rates and Bank of England Minimum Lending Rate in the near future. Three-month sterling certificates of deposit rose to 14 1/2 per cent from 14 1/4 per cent, and one-year interbank

LONDON MONEY RATES

Table with columns: Nov. 5, 1979, Sterling Certificate of deposit, Interbank, Local Authority deposits, Local Authority negotiable bonds, Finance House Deposits, Discount, Treasury Bills, % Three months, % Six months. Lists London money rates.

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'THE PROSPECTS FOR THE EUROMARKETS IN 1980' issue of THE BANKER will include: How will the Euromarkets settle down after the upheavals of 79? How to make rescheduling more efficient? The British banks in the Euro-Currencies, Credits and Bond markets after UK exchange controls abolition? The rapid growth of the Euro-Dm markets? The American banks abroad? Who are the leading banks in the Euro-Currencies, Credits and Bond markets? For full information about advertising and the details of the editorial content, contact: Robert Piper or Christina Yeo at The Banker, Munster House, Arthur Street, London EC4R 9AX. 01-623 1211. Telex 8814734.

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Companies and Markets

WORLD STOCK MARKETS

Indices

NEW YORK - DOW JONES

Table with columns for Nov. 5, Nov. 1, Oct. 31, Oct. 30, Oct. 29, Oct. 28, High, Low, 1979, and 1978. Includes Industrial, Composite, and Trading Vol. data.

Table with columns for Ind. div. yield % and values for Oct. 26, Oct. 19, Oct. 12, and Year ago (improv.).

Table with columns for Nov. 5, Nov. 1, Oct. 31, Oct. 30, Oct. 29, Oct. 28, High, Low, 1979, and 1978. Includes Industrial and Composite data.

Table with columns for Ind. div. yield % and values for Oct. 31, Oct. 24, Oct. 17, and Year ago (improv.).

Table with columns for Nov. 5, Oct. 31, Oct. 30, High, Low, and 1979. Includes Long Gov. Bond Yield and N.Y.S.E. ALL COMMON data.

Table with columns for Nov. 5, Oct. 31, Oct. 30, High, Low, and 1979. Includes Industrial and Composite data.

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RENEWED CONCERN about oil supplies and pricing further undercut an already weakening Wall Street stock market yesterday morning and prices retreated in light trading.

The Dow Jones Industrial Average closed 6.91 to 812.93 at 1 p.m. and the NYSE All Common Index lost 12.02 points to 3,517.77.

Analysts said investors were concerned about threats of an oil embargo by the U.S. by Iran, and by plans to raise prices announced by Nigeria.

Closing prices and market reports were not available for this edition.

Blackwell Hedge Canada "A" rose 1/2 to 35 1/2 on higher earnings.

Shares prices tended to ease to moderate activity, with investors uncertain in the face of the struggle within Japan's ruling Liberal Democratic Party.

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Stocks further advanced sharply across the board in betic trading, led by Properties and Blue Chips.

Trading Houses provided a strong support, buoyed by reports that all development projects on the Continental Shelf between Japan and China may start soon.

Turnover on the four Hong Kong exchanges swelled to HK\$322.52m.

Market sources said that trading was spurred by a general sense that West Germany's currency and interest rates would prevent any near-term revival of share prices.

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NEW YORK

Table with columns for Stock, Nov. 5, Nov. 1, and High/Low values. Includes AMP, Amal, ARA, ASA, etc.

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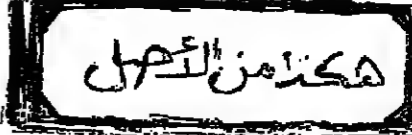
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Vertical advertisement on the right edge of the page, partially cut off, containing text like 'U.S. Farm', 'Bank likely', and 'The Brokers'.



U.S. farm export peak likely

WASHINGTON — U.S. agricultural exports are expected to increase to a record \$38bn in the current financial year to September, almost 20 per cent above last year. And overall exports are forecast to increase about 16 per cent, the U.S. Agriculture Department (USDA) said here.

The Department said the forecast 18m tonne increase in grain sales would account for more than four-fifths of the projected growth, but increases were also expected for exports of soybeans, protein meal, and cotton.

The USDA added there was still uncertainty about the outlook for trade this year, but exports were expected to fall between \$35bn and \$40bn in value. The lower end of the range would be achieved if the slowing in economic activity in major importing countries was more severe than expected, if grain and oilseed crops larger than expected in the southern hemisphere, and if an unusually severe winter or other difficulties disrupted U.S. transport.

The shortfall in the USSR grain harvest was the major reason for the expected increase in exports. Grain production was also down in several other regions, including India, Eastern and Western Europe.

Reuter Southern Peru fishing curb LIMA — Fishing in the southern zone, running from Ilo to the Chilean frontier has been suspended, the Peruvian Fisheries Ministry said over the weekend.

Fishing for species used in making fishmeal and fishoil, including a 10 per cent proportion of anchovy, continues in the northern zone from Chimbote to the Ecuadorean frontier.

Figures for the catch in either zone so far since fishing resumed on October 1 have not been issued by the ministry or by Pesca-peru.

Reuter Farm aid TEL AVIV — The agreement on agricultural co-operation between Israel and Canada, signed at the beginning of this year, will shortly be expanded to include Egypt. This was disclosed here by Ariel Sharon, Israeli Agriculture Minister.

Heavy buying boosts sugar market to new peak

BY CHRISTOPHER PARKES

HEAVY BUYING of sugar by Iran over the weekend gave a fresh boost to futures values on the London Market yesterday, and the strength was maintained on reports that Pakistan would shortly be seeking substantial quantities.

The March position for raws closed at £178.45 a tonne, £3 higher than Friday's close, after touching new three-year highs during the day. The London daily price for raw sugar was set 54 up at £180 a tonne.

The Iranian weekend buying tender for around 75,000 tonnes of refined sugar was reported to have resulted in sales of well over 100,000 tonnes. A tender from Pakistan today, nominally for 10,000 tonnes, is also expected to lead to heavy buying there. Traders suggested

Pakistan might ultimately need 100,000 to 200,000 tonnes to make good harvest failures. One London dealer said exceptionally strong demand for white sugar had fuelled feelings of optimism in the market which were fully justified by the fundamental factors at work.

F. O. Licht, the independent sugar analyst, reports there was a good chance the International Sugar Agreement could keep world supplies of sugar in balance with demand next year. But he was concerned that the whole of the estimated surplus—4.05m tonnes—would be held by relatively few producers.

Brazil, the EEC, Australia and South Africa. Our Correspondent in Georgetown writes: The Guyanese sugar industry moved closer to its revised 1979 target of 320,000 tonnes this past week. The Guyana Sugar Corporation announced that with nine weeks remaining, some 84,000 tonnes remained to be produced to attain the target.

Grimshy fish chief resigns

By Our Commodities Staff

ALLEGATIONS of herring poaching have led to the resignation of one of Britain's leading fishing chiefs. Mr. Fred Parkes, part-owner of Grimshy Ltd, the Grimshy trawler suspected of breaking the EEC ban on North Sea herring fishing, has announced his resignation as chairman of the National Federation of Fishermen's Organisations.

He denied yesterday that he had been pressed into giving up the posts. Mr. Parkes was called into the Ministry of Agriculture last month to answer questions on Continental landings of herring by Grimshy Ltd.

Herring fishing is banned within EEC waters and Mr. Parkes said yesterday he believed the skipper of the vessel, due to return to Britain around Christmas, was under the impression that the ban did not extend to the area in which he was fishing.

Rubber pact attacked KUALA LUMPUR — The president of the Malaysian Agricultural Producers' Association, Gan Tan Yew, believes the supply of natural rubber will fall short of demand by as much as 500,000 tons by 1985.

In view of this it was "unrealistic" for Malaysia and natural rubber producing countries to have accepted the ceiling price of \$1.23 per kilo when the International Rubber Agreement was signed in Geneva on October 5, he said.

China's agricultural switch to low gear

BY JOHN HOFFMANN IN PEKING

transition to the machine age must be slow. A People's Daily article recently observed that agricultural mechanisation in South China left much to be desired. Ploughing, seeding and harvesting were still largely done by hand.

In the minds of some planners, agricultural machinery meant tractors, and China produced nearly 2m of them last year. The quality was poor and 30 per cent of them would not work at all of those that did, some were useless because they were too big to negotiate the tiny paddies and narrow paths that make up much of China's farmland.

Other machinery was used as public transport because there are no implements for them to draw. In a North-Eastern province ideally suited for mechanisation, broad-acre farming, hand-ploughs, hand-drawn tractors and guided by peasants on foot.

One machinery factory in Hubei Province produces seedling planters, with disastrous results for a commune that bought five of them. One was unusable and repairs to the others were so extensive that in two seasons the cost of raising crops was 12,000 Yuan (\$3,700) more than if every seedling had been planted by hand.

Australia wins livestock contract

between the Chinese Ministry of Agriculture and the Australian Overseas Projects Corporation.

It is the first signed by AOPC since the corporation was established last year to help Australian companies to make overseas deals.

Four experts will be sent to the farm later this month. Their initial \$800,000 programme is for two years, during which they will experiment with pasture improvement, seed production and stock development.

There was encouraging scope for continuing Australian participation in the development of China's pasture and livestock. Hunan Province alone has 1m hectares of pasture capable of improvement.

will experiment with pasture improvement, seed production and stock development. The contract may be extended to five years.

U.S. pressed to delay tin sales

BY RICHARD MOONEY

THE U.S. has been urged to hold back releases of stockpile tin at a time when supply appears to be moving towards a surplus. Commenting upon reports that the Senate had approved a Bill authorising the disposal of 35,000 tons of tin from the U.S. General Services Administration stockpile, Mr. Paul Leong, Malaysia's Primary Industries Minister, said his country was against any release while the supply/demand balance was delicate.

But he stressed that Malaysia was not against the Bill in principle. He said it was an internal U.S. matter. The market would have welcomed such a release in 1977 and 1978 when demand was strong and supplies were short.

Mr. Leong added. In 1979, he said, the International Tin Council estimated there will be a primary tin surplus of only 2,500 tonnes. He called on the U.S. to abide by an International Tin Agreement article calling on members to consult the ITC when they wish to dispose of metal from a non-commercial stockpile and to take due regard to prevent disruption of markets and capital investment in mining.

On the London Metal Exchange yesterday, profit-taking sales pushed tin prices lower in the absence of fresh buying and cash standard metal ended the day \$135 down at \$7,755 a tonne.

Copper prices also moved lower, though more modestly, with cash wirebars losing \$2 to \$37.5 a tonne. Profit-taking and stop-loss selling pushed lead prices down more sharply with cash metal ending \$20.5 lower at \$571.5 a tonne. And the lower tone was also reflected by a \$3.5 fall for cash zinc to \$331.5 a tonne.

Changes in LME warehouse stock levels last week were broadly in line with expectations for copper falling 1,400 to 145,660 tonnes; tin 355 to 1,590 tonnes. Lead stocks rose 50 to 20,850 tonnes but zinc fell 100 to 46,175 tonnes. Silver stocks were 1,050,000 oz lower at 11,310,000 oz.

Call for free Community trade

BY JOHN EDWARDS, COMMODITIES EDITOR

THE PRESENT lack of harmonisation within the EEC was intolerable, the Hon John Sainsbury told a Poultry Industry conference in Birmingham yesterday. Free trade across Community borders was welcome, he said, but competition had to be fair and open. The quality of trading was not hidden subsidies from national governments.

Mr. Sainsbury said that UK egg industry losses over the past year would still be in the order of £1m a week in spite of a rise of 20 per cent in prices.

Mr. Sainsbury said the turkey section was the brightest spot of the poultry industry. Domestic purchase sales would reach a record level this year and exports were being maintained in spite of an unfair levy that allowed American birds into the EEC on favourable terms.

BRITISH COMMODITY MARKETS

Table with columns for Base Metals (Copper, Tin, Zinc), Wheat, and other commodities. Includes prices for various grades and contracts.

COFFEE

Table showing coffee prices for various types (Arabica, Robusta) and origins (Colombia, Brazil, etc.).

SOYABEAN MEAL

Table showing soyabean meal prices for different grades and origins.

PRICE CHANGES

Table listing price changes for various commodities like Metals, Rubber, and Soyabean Meal.

AMERICAN MARKETS

Table showing market activity and prices in American cities like New York, Chicago, and London.

EUROPEAN MARKETS

Table showing market activity and prices in European cities like Rotterdam, London, and Paris.

WHEAT

Table showing wheat prices for various grades and origins.

GRAINS

Table showing prices for various grains like barley, oats, and rye.

WHEAT

Table showing wheat prices for various grades and origins.

SUGAR

Table showing sugar prices for various grades and origins.

WHEAT

Table showing wheat prices for various grades and origins.

WHEAT

Table showing wheat prices for various grades and origins.

Advertisement for Shearson, The Brokers to Consider For U.S. Commodity Trading. Includes contact information and a list of services.

Advertisement for Shearson Hayden Stone Ltd. Includes contact information and a list of services.

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Promotional gifts advertisement for Manhattan Windsor. Includes details about key rings, cuff links, and other items.

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LONDON STOCK EXCHANGE

Companies and Markets

Gloomy business survey and higher interest rates fears depress markets—Index at 2½-year low of 421.0

Account Dealing Dates
Declarations
First Declara. Last Account
Dealings from Dealings Day
Oct 23 Nov. 1 Nov. 2 Nov. 12
Nov. 3 Nov. 15 Nov. 16 Nov. 28
Nov. 29 Nov. 29 Nov. 30 Dec. 10

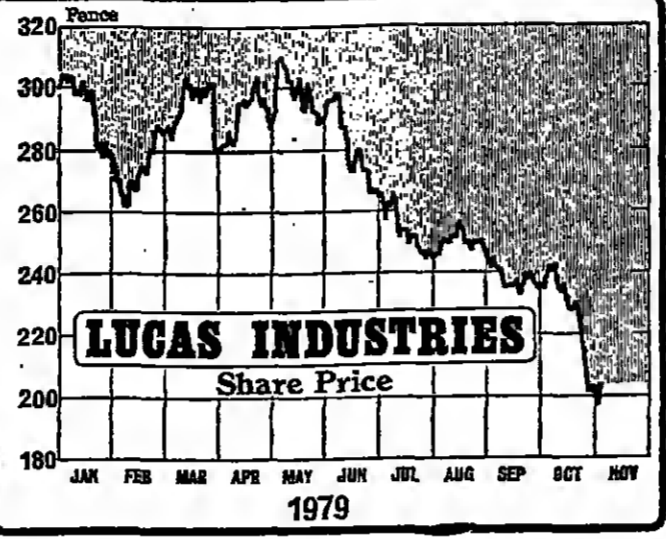
deals respectively, while ICI were also well to the fore with 91.
Bull down again
Dunk conditions prevailed in the major clearing banks. Talk increased of a rise soon in base lending rates and Barclays and Lloyds closed 12 down at 370p and 368p respectively. NatWest declined 11 to 307p and Midland Gerrard and National closed 6 off at 225p, and Union 5 lower at 315p. Cater Ryder gave up 3 to 305p ahead of Thursday's first-half results. In Merchant Banks, Hill Samuel Warrants halved in value to 25p, while Mercury Securities recorded 4 to 140p. Interest rate worries unsettled Hire Purchases. Lloyds and Scottish were notable for a fall of 8 to 112p, while F.C. Finance, 60p, and Argon Finance, 34p, lost 3 apiece.

national eased 2 further to 101p. Among Pains, Manners dipped 10 to 148p on a withdrawal of speculative support. Buying ahead of today's interim results lifted Roberts Adlard 4 to 140p. Allied Colloids featured an otherwise quiet day. Chemical sector, responding to revived takeover rumours with a gain of 14 to 140p, after 12p. Royal Bank Carlos, Capel eased 4 to 62p as profit-taking developed awaiting today's half-yearly results. Stewart Plastics were quoted at 80p, down 2½, ex the scrip issue. Among the leaders, ICI eased 3 to 325p, but Fisons lifted a couple of pence to 235p ½.

Stores retreat
Stores started the new Autumn in the same depressing manner as they had finished the old, retreating further on renewed selling and the lack of support. Particularly vulnerable of late, Barton A showed a fresh fall of 8 to 232p, while Marks and Spencer eased 2 to 88p, as did UDB to 80p. Secondary issues were flat. Lee Cooper fell 2 to 210p before closing 10 down on balance at 220p and John Messers declined 7 to 208p, while falls of 6 were seen in Home Charm, 136p, and Moss Brothers, 169p. Status Discount, 66p, Wallis, 50p, and Couris Furnishers A, 69p. Shoes were notable for a sharp reaction of 17 to 168p in speculative favourite Stylo. Headlam Slims and Coggins, however, edged forward 2 to 61p in anticipation of today's interim results.

dened increase, while J. Sainsbury, half-yearly results tomorrow, shed 4 to 268p. Tesco gave up 3 to 63p. Associated Dairies, 11p, fell to 152p, down 4½, ex the scrip issue, while Cadbury Schweppes cheapened 1½ to 53p and Rowntree Mackintosh declined 4 to 172p. Avanta, still unsettled by the recent interim results, shed 5 more to 94p. Bernard Matthews dipped 11 to 300p on profit-taking.

slightly higher annual profits, eased 2 to 57p.
Among Paper and Kindred issues, Mills and Allen met with selling and declined 17 to 268p. Associated Paper also came under pressure and closed 4 lower at 41p, while Ferry Pickering shed 7 to 125p awaiting news of the annual meeting.



may lead to a major acquisition. Down 16 on Friday following the police raids on four of its casinos, Coral Leisure eased 2 to 34½p, while Ladbrokes, 3 lower at 174p, met nervous offerings awaiting the outcome of its casino licence appeal hearing and shed 3 to 174p. Reflecting relief that the annual profits were not as gloomy as higher interim profits, Lucas rallied after their recent lean spell; the recovery naturally generated bear-covering which took the price up to 210p before a close of 204p for a net gain of 7. Elsewhere among Motor Components, the higher interim profits and dividend failed to sustain Kwik-Fit (Tyres and Exhaustrs), a penny off at 59p. Dunlop was also friendless at 46½p, down 1. Flight Refuelling dropped 22 to 155p in a thin market awaiting closed that much lower at 257p. Boots fell 6 to 137p after 156p in reaction to a sell recommendation; the interim results are due on November 15. Unilever declined 8 to 46½p and Turner and Newall cheapened 6 to 110p, while Glaxo gave up 5 to 297p and Metal Box 4 to 226p. British Car Auctions, which reported

FINANCIAL TIMES STOCK INDICES
Table with columns for Nov. 5, Nov. 6, Nov. 7, Oct. 31, Oct. 30, Oct. 29, and A year ago. Rows include Government Secs., Fixed Interest, Industrial, Gold Mines, Ord. Div. Yield, Earnings, P/E Ratio, Total bargains, and Equity turnover £m.

HIGHS AND LOWS. S.E. ACTIVITY
Table with columns for 1979 High, 1979 Low, Since Completion High, Since Completion Low, and Daily Gilt Edged. Rows include Govt. Secs., Fixed Int., Ind. Ord., and Gold Mines.

NEW HIGHS AND LOWS FOR 1979
Table with columns for Share Name, High, Low, and Date. Lists various companies like British Airways, British Telecom, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Mon., Nov. 5, 1979, Fri., Nov. 2, Thu., Nov. 1, Wed., Nov. 31, and Year ago (approx.). Rows include CAPITAL GOODS, BUILDING MATERIALS, CONTRACTING, etc.

ACTIVE STOCKS

Table with columns for Stock, Denomina-tion, Closing price (p), Change, 1979 high, 1979 low. Rows include Cons. Gold Fields, ICI, P. & O. Deft., etc.

RECENT ISSUES

Table with columns for Issue Price, Amount, Date, Stock, and other details. Rows include various corporate issues.

FIXED INTEREST STOCKS

Table with columns for Issue Price, Amount, Date, Stock, and other details. Rows include various government and corporate bonds.

"RIGHTS" OFFERS

Table with columns for Issue Price, Amount, Date, Stock, and other details. Rows include various rights issues.

LONDON TRADED OPTIONS

Table with columns for Option, Ex'cise, Closing price, Vol., Closing offer, Vol., Closing offer, Vol., Equity close. Rows include various options for different stocks.

UNIT TRUST SERVICE

Advertisement for Unit Trust Service, listing various investment funds and their details, including Royal Trust, Saver & Prosper International, etc.

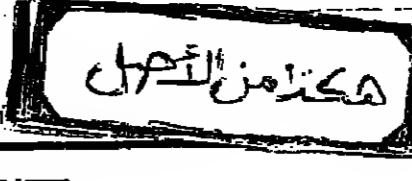
FIXED INTEREST PRICE INDICES

Table with columns for Index No., Index, Yield, and Year ago (approx.). Rows include British Government, Under 5 years, 5-15 years, etc.

Redemption yield. High and low record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Brecken House, Cannon Street, London, EC4A 3DF, price 14p, by post 22p.

Vertical advertisement on the right edge of the page, including 'AUTHORISE UNIT TRUSTS' and other financial services.





FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgmt. Co., Allied Harrow & Ross Unit Tr. Mgmt., and others, including their names, managers, and performance data.

Table listing unit trusts such as Mayflower Management Co. Ltd., Mercury Fund Managers Ltd., and others, including their names, managers, and performance data.

Table listing unit trusts such as Target Tr. Mgmt. Ltd., Tower Unit Trust Mgmt. Ltd., and others, including their names, managers, and performance data.

Table listing unit trusts such as London A'Heen & Nihm, Scottish Widows' Group, and others, including their names, managers, and performance data.

Table listing unit trusts such as Capital International S.A., Charterhouse Invest, and others, including their names, managers, and performance data.

INSURANCE PROPERTY BONDS

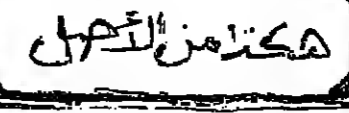
Table listing insurance and property bond products such as Abbey Life Assurance Co. Ltd., Barclays Life Assur. Co. Ltd., and others, including their names and details.

OFFSHORE & OVERSEAS FUNDS

Table listing offshore and overseas funds such as Alexander Fund, Allen Harvey & Ross Unit Tr. Mgmt., and others, including their names and details.

NOTES: Details regarding the accuracy of the information, the inclusion of all relevant data, and the responsibility of the user for their own investment decisions.





Advertisement for NOMURA The Nomura Securities Co., Ltd. with contact information for London and New York offices.

MINES—Continued

Table of mine stocks including Falcon Iron, Anglo American, and others, with columns for price, change, and volume.

AUSTRALIAN

Table of Australian stocks including BHP, Anglo Coal, and others.

TINS

Table of tin stocks including Anglo Tin, Anglo American, and others.

COPPER

Table of copper stocks including Anglo American, Anglo Tin, and others.

MISCELLANEOUS

Table of miscellaneous stocks including Anglo American, Anglo Tin, and others.

Notes regarding stock prices, dividends, and company announcements.

FINANCE, LAND—Continued

Table of finance and land stocks including Anglo American, Anglo Tin, and others.

OILS

Table of oil stocks including Anglo American, Anglo Tin, and others.

OVERSEAS TRADERS

Table of overseas trader stocks including Anglo American, Anglo Tin, and others.

RUBBERS AND SISALS

Table of rubber and sisal stocks including Anglo American, Anglo Tin, and others.

TEAS

Table of tea stocks including Anglo American, Anglo Tin, and others.

INDIA AND BANGLADESH

Table of Indian and Bangladeshi stocks including Anglo American, Anglo Tin, and others.

SRI LANKA

Table of Sri Lankan stocks including Anglo American, Anglo Tin, and others.

AFRICA

Table of African stocks including Anglo American, Anglo Tin, and others.

MINES

Table of mine stocks including Anglo American, Anglo Tin, and others.

EASTERN RAND

Table of Eastern Rand stocks including Anglo American, Anglo Tin, and others.

FAR WEST RAND

Table of Far West Rand stocks including Anglo American, Anglo Tin, and others.

O.F.S.

Table of O.F.S. stocks including Anglo American, Anglo Tin, and others.

FINANCE

Table of finance stocks including Anglo American, Anglo Tin, and others.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including Anglo American, Anglo Tin, and others.

PROPERTY—Continued

Table of property stocks including Anglo American, Anglo Tin, and others.

SHIPPING

Table of shipping stocks including Anglo American, Anglo Tin, and others.

SHOES AND LEATHER

Table of shoe and leather stocks including Anglo American, Anglo Tin, and others.

SOUTH AFRICANS

Table of South African stocks including Anglo American, Anglo Tin, and others.

TEXTILES

Table of textile stocks including Anglo American, Anglo Tin, and others.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including Anglo American, Anglo Tin, and others.

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TRUSTS, FINANCE, LAND

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INSURANCE—Continued

Table of insurance stocks including Anglo American, Anglo Tin, and others.

LEISURE

Table of leisure stocks including Anglo American, Anglo Tin, and others.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including Anglo American, Anglo Tin, and others.

Commercial Vehicles

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Components

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INDUSTRIALS—Continued

Table of industrial stocks including Anglo American, Anglo Tin, and others.

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Vent-Axia The first name in unit ventilation... look for the name on the product.

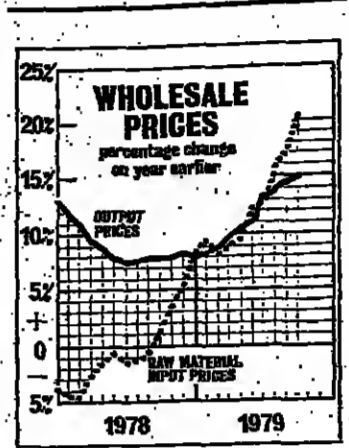
GUYSOY The Best Blast Cleaners in the World Guyson International Limited...

Belgium seeks \$1bn loan By Giles Merritt in Brussels and John Evans in London BELGIUM HAS asked its major commercial banks to arrange a \$1bn (£85m) state borrowing on the international capital markets.

CHRYSLER SALES FALL BY 37% U.S. car market collapses BY IAN HARGREAVES IN NEW YORK Chrysler must raise either through selling assets or from outside sources. Chrysler also announced that it is reintroducing the cash rebate system to buyers of its unpopular larger cars in an attempt to stimulate sales.

THE LEX COLUMN Lucas in between the strikes Pressure on interest rates intensified yesterday, with general rises of about 1 point in the money markets. Rates are now close to 15 per cent, up nearly a full point on the level of a month ago.

Index fell 10.7 to 421.0



to the National Food survey, it is still running about 3 per cent down on a year ago. (ABF has a third of the market.) Last year ABF lost around \$5m in the second half as a result of the bread strike and all being well it should be able to pick this up in the current half.

The latest borrowing itself represents no more than a consolidation of part of BFRs \$31m to BFRs \$4bn (£883m-£900m) in short-term loans raised by Belgium in Deutsche-marks and Swiss francs earlier this year.

France given extra day to reply on lamb ban BY MARGARET VAN HATTEM IN BRUSSELS AND CHRISTOPHER PARKES IN LONDON THE EEC Commission yesterday instructed its lawyers to prepare further legal proceedings against the French Government over its illegal import curbs on British lamb.

Japan fails to settle leadership By Charles Smith, Far East Editor in Tokyo AN ATTEMPT to solve Japan's crisis by a compromise agreement between Mr. Masayoshi Ohira, the Prime Minister, and his opponent, Mr. Takeo Fukuda, former Prime Minister, failed yesterday.

Prior may change Hunterston port status

BY NICK GARNETT, LABOUR STAFF MR. JAMES PRIOR, Employment Secretary, told union leaders yesterday that he would consider urgently their request that Hunterston on the Clyde be made a designated port within the National Dock Labour Scheme.

EEC urged to act on trade pact breaches

BY JOHN ELLIOTT, INDUSTRIAL EDITOR THE European Commission is to be urged by the Confederation of British Industry to take tougher action against countries which break international trade agreements and block exports of goods such as textiles and footwear from the UK.

Weather

Table with columns for UK TODAY, MIDDLES, CHANNEL IS., N.W. ENGLAND, REST OF SCOTLAND, and WORLDWIDE. Includes weather forecasts for various regions.

BNOC

operators delayed their action until Nigeria followed suit. The Nigerian Government confirmed yesterday that its prices will be raised by about \$2.70 a barrel from today. This will bring its price level to between \$24.77 and \$25.27 a barrel.

Fall in Sterling

This year this index has risen by 20.1 per cent to 175.7 (1975=100). The impact can be seen even more clearly in the cost index for manufacturing industry after excluding food, drink and tobacco companies. This rose by 5.1 per cent in October, the largest monthly increase for three years.

Is your Share Register eating up your profits?

Advertisement for NatWest Registrars Department featuring an illustration of a dinosaur and text about share registers and dividends.

NatWest Registrars Department logo and contact information: National Westminster Bank Ltd Registrars Department, 37 Broad Street, Bristol BS39 7NH.